

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION
3 IN THE MATTER OF:)
4 METRICOM, INC.,)
5) NO. 00 -0234
6 PETITION FOR DECLARATORY RULING)
7 THAT ARTICLE 13 OF THE ILLINOIS)
8 PUBLIC UTILITIES ACT IS NOT)
9 APPLICABLE TO METRICOM AND)
10 METRICOM'S RICOCHET2 NETWORK)
11 SERVICES.)
12 CHICAGO, ILLINOIS
13 JUNE 2, 2000

14 MET PURSUANT TO NOTICE AT 10:00 A.M.

15 BEFORE:
16 EVE MORAN, ADMINISTRATIVE LAW JUDGE.

17 APPEARANCES:
18 HOPKINS & SUTTER, BY
19 MR. JOHN W. MC CAFFREY, AND MR. MICHAEL GUERRA,
20 70 WEST MADISON STREET
21 CHICAGO, ILLINOIS 60602
22 -AND-
23 ROWLAND & MOORE, BY
24 MR. STEPHEN J. MOORE,
25 55 EAST MONROE STREET, SUITE 3230
26 CHICAGO, ILLINOIS 60603
27 APPEARING FOR THE PETITIONER;

1 APPEARANCES: (CONT'D)

2 MR. G. DARRYL REED, AND MR. THOMAS G. ARIDAS,
3 160 NORTH LASALLE STREET, SUITE C-800
4 CHICAGO, ILLINOIS 60601
5 APPEARING FOR STAFF OF THE ICC.
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21 SULLIVAN REPORTING COMPANY, BY
22 STEVEN T. STEFANIK, CSR

1	I N D E X					
2	WITNESSES:	DIRECT	CROSS	RE - DIRECT	RE- CROSS	BY EXAMINER
3	MICHAEL DANIEL	27	35	50	53	33
4				55	54	48
						51
5	ROBERT SCHELLMAN	56	69	93	95	88
6						96

9	E X H I B I T S		
10	NUMBER	FOR IDENTIFICATION	IN EVIDENCE
	APPLICANT'S		
11	NO. 1	17	29
	NO. 2	17	59
12	NO. 3	17	63
	NO. 4 - 7	17	66

16	OPENING STATEMENTS	
17	BY MR. MCCAFFREY	21

1 (WHEREUPON, APPLICANT
2 EXHIBIT NOS. 1 - 7 WERE
3 MARKED FOR IDENTIFICATION
4 AS OF THIS DATE.)

5 JUDGE MORAN: PURSUANT TO THE DIRECTION OF THE
6 ILLINOIS COMMERCE COMMISSION, I CALL DOCKET
7 NO. 00-0234. THIS IS A PETITION BY METRICOM, INC.,
8 FOR A DECLARATORY RULING THAT ARTICLE 13 OF THE
9 ILLINOIS PUBLIC UTILITIES ACT IS NOT APPLICABLE TO
10 METRICOM AND METRICOM'S RICOCHET 2 NETWORK SERVICES.

11 AT THE SAME TIME, I'M CALLING DOCKET
12 NO. 99-0138, WHICH IS AN APPLICATION BY METRICOM,
13 INC., FOR CERTIFICATE OF SERVICE AUTHORITY TO
14 PROVIDE HIGH-SPEED NONSWITCHED WIRELESS DATA
15 TRANSMISSION TELECOMMUNICATIONS SERVICES.

16 I DO NOTE THAT BY RULING OF THE HEARING
17 EXAMINERS, THERE WAS A STAY OF THIS PROCEEDING
18 GRANTED ON APRIL 24TH, 2000, OR THEREABOUT. WE ARE
19 GOING TO BE LIFTING THAT STAY IN ORDER TO CONTINUE
20 WITH THIS PROCEEDING.

21 MAY I HAVE THE APPEARANCES FOR THE
22 RECORD, PLEASE.

1 MR. MC CAFFREY: YES, MADAM HEARING EXAMINER.

2 HOPKINS AND SUTTER, JOHN B. MCCAFFREY AND
3 MICHAEL GUERRA, 70 WEST MADISON STREET, CHICAGO,
4 ILLINOIS 60602, (312) 558-6600, FOR APPLICANT,
5 METRICOM, INC.

6 MR. MOORE: ALSO ON BEHALF OF METRICOM, INC.,
7 STEPHEN MOORE, ROLAND AND MOORE, 55 EAST MONROE
8 STREET, SUITE 3230, CHICAGO, ILLINOIS 60603.

9 MR. ARIDAS: ON BEHALF OF STAFF OF THE ILLINOIS
10 COMMERCE COMMISSION, TOM ARIDAS AND DARRYL REED, 160
11 NORTH LASALLE, SUITE C-800, CHICAGO, ILLINOIS 60601.

12 JUDGE MORAN: AS THE FIRST ORDER OF BUSINESS,
13 THERE -- WE NEED TO PUT ON THE RECORD THE FACT THAT
14 THERE WAS A CONVERSATION THIS PAST WEDNESDAY WITH
15 ATTORNEYS FOR METRICOM, INC., AND WITH THE ATTORNEY
16 FOR STAFF.

17 THE MATTER OF DISCUSSION WAS WHETHER WE
18 COULD CONSOLIDATE FOR PURPOSES -- OR CONSOLIDATE THE
19 EVIDENTIARY PHASE OF THIS PROCEEDING FOR PURPOSES OF
20 BOTH 99-0138 AND 99 -- OR EXCUSE ME, 00-0234.

21 DO THE PARTIES WISH TO PUT THEIR -- PUT
22 ANY MORE OF THIS CONVERSATION OR THEIR RESPECTIVE

1 VIEWPOINTS ON THE RECORD?

2 MR. MC CAFFREY: METRICOM HAD MOVED FOR
3 CONSOLIDATION FOR PURPOSES OF HEARING ONLY AND
4 INDICATED TO THE HEARING EXAMINER THAT FOR PURPOSES
5 OF ORDER AND BRIEFING, SEPARATE BRIEFS AND SEPARATE
6 ORDERS WOULD BE EXPECTED; BUT IT WAS MERELY TO AVOID
7 THE DUPLICATION OF HEARINGS BECAUSE WE HAD
8 DETERMINED THAT THE EVIDENCE THAT WE WOULD BE
9 PRESENTING IN ONE DOCKET WOULD BE THE SAME AS THE
10 EVIDENCE WE WOULD BE PRESENTING IN THE OTHER.

11 JUDGE MORAN: DOES STAFF WISH TO -- YOUR
12 POSITION?

13 MR. ARIDAS: YES. STAFF WOULD LIKE TO NOTE ITS
14 OPPOSITION TO THAT MOTION FOR CONSOLIDATION ON THE
15 RECORD.

16 WE FEEL IT WOULD BE MORE APPROPRIATE TO
17 HAVE A DECISION IN THE DECLARATORY RULING MATTER
18 BEFORE WE PROCEEDED TO LITIGATE THE PETITION FOR
19 CERTIFICATION FOR VARIOUS REASONS, AND WE OPPOSE THE
20 MOTION.

21 JUDGE MORAN: NEVERTHELESS, THE HEARING EXAMINER
22 BELIEVES IT IS DUPLICATIVE TO HAVE TWO EVIDENTIARY

1 HEARINGS IN TWO MATTERS, REGARDLESS OF WHETHER ONE
2 WILL OBVIATE THE NEED FOR THE OTHER.

3 FURTHERMORE, ON FURTHER REVIEW OF THIS
4 QUESTION, I NOTE THAT SECTION 200.220, WHICH GOVERNS
5 DECLARATORY RULINGS, INDICATES IN SUBSECTION B -2
6 THAT A DECLARATORY RULING ACTION BEING FILED BY
7 ITSELF OR IN CONJUNCTION WITH THE COMPLAINT,
8 PETITION OR APPLICATION -- SEEKING OTHER RELIEF.

9 AND, TO ME, THIS CONTEMPLATES THAT WE'D
10 HAVE THE SAME EVIDENTIARY RECORD IN -- OR COULD HAVE
11 THE SAME EVIDENTIARY RECORD IN BOTH CASES. AND,
12 THEREFORE, WE WILL BE CONSOLIDATING THE MATTER FOR
13 HEARING ONLY.

14 MR. MC CAFFREY: THANK YOU.

15 JUDGE MORAN: AND IS THERE ANYTHING ELSE WE NEED
16 TO DO BEFORE WE PROCEED TO THE ACTUAL HEARING?

17 MR. MC CAFFREY: WE WOULD LIKE TO MAKE A BRIEF
18 OPENING STATEMENT ON THIS MATTER.

19 JUDGE MORAN: THAT WOULD BE WONDERFUL.

20 THANK YOU.

21

22

1 OPENING STATEMENTS

2 BY

3 MR. MC CAFFREY:

4 MADAM EXAMINER, AS AN OPENING STATEMENT
5 HERE, WE WOULD JUST LIKE TO KIND OF SET THE SCENARIO
6 OF WHY WE'RE HERE, ET CETERA. SO LET ME BEGIN BY
7 RUNNING THROUGH A BRIEF HISTORY OF THESE PROCEEDINGS
8 AND HOW WE GOT TO WHERE WE ARE TODAY.

9 ON MARCH 8TH, 1999, METRICOM FILED ITS
10 APPLICATION FOR A CERTIFICATE OF SERVICE AUTHORITY
11 PURSUANT TO SECTION 401, WHICH WAS GIVEN DOCKET
12 NO. 99-0138. THE COMMISSION HELD A HEARING ON
13 OCTOBER THE 18TH, 1999. AND AT THE END OF THAT
14 HEARING, THE RECORD WAS MARKED HEARD AND TAKEN.

15 INITIAL BRIEFS WERE FILED IN THAT
16 PROCEEDING. HOWEVER, NO REPLY BRIEFS WERE FILED.
17 AND ON FEBRUARY 9TH, 2000, METRICOM -- OR METRICOM
18 MADE A MOTION TO STAY THE PROCEEDINGS AND EXPRESSED
19 TO THE HEARING EXAMINER AT THAT TIME THAT IT
20 INTENDED TO FILE A DECLARATORY ACTION. THE MOTION
21 TO STAY THE PROCEEDINGS WERE GRANTED.

22 THE POSITION OF THE PARTIES IN THAT CASE

1 AT THE TIME OF THE STAY WAS METRICOM HAD SOUGHT A
2 CERTIFICATE OF SERVICE AUTHORITY TO PROVIDE
3 HIGH-SPEED WIRELESS DATA TRANSMISSION SERVICES IN
4 THE STATE OF ILLINOIS.

5 STAFF'S POSITION WAS THAT METRICOM IS A
6 TELECOMMUNICATIONS CARRIER AS DEFINED BY SECTION
7 13-202 AND IS A PROVIDER OF LOCAL EXCHANGE AND
8 INTEREXCHANGE SERVICES REQUIRING A CERTIFICATE OF
9 SERVICE AUTHORITY PURSUANT TO SECTION 13-403 AND/OR
10 13-405.

11 METRICOM FILED ITS PETITION FOR A
12 DECLARATORY RULING ON MARCH 20TH, 2000, AND WAS
13 GIVEN DOCKET NO. 00-0234. METRICOM AND STAFF, SINCE
14 THE FILING OF THIS PETITION, HAVE ENGAGED IN A
15 SERIES OF MEETINGS AND DISCUSSIONS IN LIEU OF FORMAL
16 DISCOVERY. METRICOM HAS REQUESTED NOW THAT DOCKET
17 99-0138 BE SET FOR HEARING TODAY AND BE CONSOLIDATED
18 WITH DOCKET 00-0234 FOR PURPOSES OF HEARING ONLY.

19 METRICOM'S REQUESTS HAVE BEEN GRANTED AND
20 WE ARE PROCEEDING HERE FOR THAT HEARING, BUT WHY ARE
21 WE HERE? METRICOM HAS REQUESTED A DECLARATORY
22 RULING THAT ARTICLE 13 OF THE PUBLIC UTILITIES ACT

1 IS NOT APPLICABLE TO METRICOM AND ITS RICHMOND
2 WIRELESS HIGH-SPEED INTERNET ACCESS SERVICES.
3 SHOULD THE COMMISSION, HOWEVER, DETERMINE
4 THAT METRICOM IS A TELECOMMUNICATIONS CARRIER
5 PURSUANT TO 13-3-302 (SIC) -- EXCUSE ME, PURSUANT TO
6 13-202 OF THE PUBLIC UTILITIES ACT, THEN METRICOM
7 REQUESTS THAT THE COMMISSION GRANT ITS APPLICATION
8 FOR A CERTIFICATE OF SERVICE AUTHORITY PURSUANT TO
9 SECTION 13-401 OF THE ACT.

10 WHAT IS THE DIFFERENCE? WHAT HAS
11 CHANGED? WHY DOES METRICOM BELIEVE IT IS NOW NOT
12 SUBJECT TO THE PUBLIC UTILITIES ACT WHEN IT FIRST
13 SOUGHT A CERTIFICATE UNDER SECTION 13-401?

14 EVIDENCE IS PRESENTED IN THE RECORD THAT
15 WILL BE PRESENTED TODAY AND THE TESTIMONY THAT WILL
16 BE PRESENTED TODAY WILL SHOW THAT TWO THINGS
17 OCCURRED. ONE IS METRICOM HAS CHANGED ITS BUSINESS
18 PLAN.

19 WHEN METRICOM FIRST BEGAN THE PROCEEDING
20 FOR A 401 LICENSE, METRICOM PLANNED ON SELLING ITS
21 SERVICES AT RETAIL. SINCE THAT TIME, METRICOM HAS
22 CHANGED ITS BUSINESS PLAN AND NOW INTENDS TO OFFER

1 ITS SERVICES THROUGH RESELLERS. IT WILL MAKE NO
2 RETAIL SALES, BUT ONLY OFFER THESE SERVICES THROUGH
3 RESELLERS WHO WILL BE INTERNET SERVICE PROVIDERS,
4 INTERNET SERVICE PROVIDER NETWORKS,
5 TELECOMMUNICATIONS CARRIERS, CABLE PROVIDERS, OTHER
6 PURVEYORS OF SERVICE.

7 NUMBER TWO, METRICOM INTRODUCED ITS
8 RICOCHET2 WIRELESS NETWORK. RICOCHET1 NETWORK,
9 WHICH WAS THE SUBJECT OF THE INITIAL PROCEEDINGS,
10 WAS IN PLACE AS A TEST MARKETS (SIC) IN SAN
11 FRANCISCO AND IN WASHINGTON, D.C.

12 SINCE THAT TIME, WE HAVE INTRODUCED A
13 RICOCHET2 NETWORK WHICH WILL BE THE NETWORK THAT
14 WILL BE INSTALLED IN JURISDICTIONS ACROSS THIS
15 COUNTRY. IT IS AN UPGRADED SERVICE FROM THE
16 RICOCHET -- THE INITIAL RICOCHET NETWORK WHICH IS
17 MUCH FASTER AND HAS SOME SLIGHTLY DIFFERENT
18 FEATURES.

19 ONE OF THE SLIGHTLY DIFFERENT FEATURES IS
20 IT WILL NO LONGER PERMIT DIRECT CONNECTIONS TO
21 PRIVATE LANS. IT WILL ONLY OFFER SERVICES THROUGH
22 THE INTERNET.

1 WHY IS METRICOM RICOCHET2 NETWORK
2 SERVICES DIFFERENT? THE EVIDENCE WE WILL PRESENT
3 TODAY WILL SHOW THAT METRICOM DOES NOT USE THE
4 PUBLICLY SWITCHED NETWORK; THAT METRICOM'S INTERNET
5 ACCESS SERVICES IS AN ALWAYS -ON SERVICE. THAT IS,
6 THERE ARE NO CALLS HERE, THERE IS NO CALL
7 INITIATION, THERE IS NO CALL TERMINATION AND THERE
8 IS NO USE OF THE PUBLICLY SWITCHED NETWORK.

9 METRICOM DOES NOT PROVIDE TRADITIONAL
10 EXCHANGE OR INTEREXCHANGE SERVICES. EXCHANGE
11 BOUNDARIES ARE SIMPLY IRRELEVANT TO METRICOM'S
12 SERVICES, AND METRICOM'S RICOCHET NETWORK IS A DATA
13 NETWORK AND DOES NOT SUPPORT ANY USEFUL TYPE OF
14 VOICE TRAFFIC.

15 METRICOM PRESENTS A NEW TECHNOLOGY. THE
16 PUBLIC UTILITIES ACT UNDER WHICH WE ARE OPERATING
17 TODAY WAS WRITTEN IN 1985, AT THE TIME AT WHICH SUCH
18 SERVICES WERE NOT CONTEMPLATED. METRICOM DOES NOT
19 FIT INTO ANY NICHE IN THE PUBLIC UTILITIES ACT.
20 BUT, IN SUCH CASES, THE COMMISSION HAS A BROAD
21 AUTHORITY TO DETERMINE IF THE COMMISSION HAS
22 JURISDICTION OVER THIS PARTICULAR SERVICE AND THE

1 EXTENT OF THAT JURISDICTION.

2 THAT CONCLUDES OUR OPENING STATEMENT,

3 MADAM EXAMINER, AND WE ARE PREPARED TO GO FORWARD

4 WITH OUR CASE UNLESS STAFF WOULD HAVE AN OPENING

5 STATEMENT.

6 JUDGE MORAN: MR. ARIDAS?

7 MR. ARIDAS: NO OPENING STATEMENT FROM STAFF.

8 JUDGE MORAN: OKAY. THEN PLEASE PROCEED WITH

9 YOUR CASE.

10 MR. MC CAFFREY: THANK YOU.

11 JUDGE MORAN: AND HOW MANY WITNESSES ARE YOU

12 CALLING?

13 MR. MC CAFFREY: WE HAVE TWO WITNESSES TO CALL.

14 JUDGE MORAN: AND ARE THEY BOTH IN THE ROOM?

15 MR. MC CAFFREY: YES.

16 JUDGE MORAN: AND, STAFF, DO YOU HAVE WITNESSES

17 IN THE ROOM?

18 MR. ARIDAS: NO.

19 JUDGE MORAN: NO? OKAY. LET ME SWEAR IN THE

20 WITNESSES.

21 (WITNESSES SWORN.)

22 JUDGE MORAN: THANK YOU.

1 AND WHERE DO YOU WANT YOUR WITNESSES TO

2 SIT?

3 MR. MC CAFFREY: SIT RIGHT HERE, PLEASE.

4 MR. GUERRA: OKAY.

5 JUDGE MORAN: CALL YOUR FIRST WITNESS.

6 MR. GUERRA: METRICOM WOULD LIKE TO CALL IT S

7 FIRST WITNESS, MR. MICHAEL DANIEL.

8 MICHAEL DANIEL,

9 CALLED AS A WITNESS HEREIN, HAVING BEEN FIRST DULY

10 SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

11 DIRECT EXAMINATION

12 BY

13 MR. GUERRA:

14 Q. STATE YOUR NAME FOR THE RECORD.

15 A. MICHAEL L. DANIEL.

16 Q. MR. DANIEL, I'M GOING TO HAND YOU A DOCUMENT

17 THAT THE COURT REPORTER HAS MARKED AS APPLICANT'S

18 EXHIBIT NO. 1 AND IT'S ENTITLED THE DIRECT TESTIMONY

19 OF MICHAEL L. DANIEL.

20 DO YOU RECOGNIZE THIS DOCUMENT?

21 A. YES.

22 Q. WAS THIS DOCUMENT PREPARED BY YOU OR BY

1 SOMEONE UNDER YOUR SUPERVISION?

2 A. YES.

3 Q. IF I ASKED YOU THE SAME QUESTIONS HERE
4 TODAY, WOULD YOUR ANSWERS BE THE SAME?

5 A. YES.

6 Q. OTHER THAN A NEW HEADING, DO YOU HAVE ANY
7 CHANGES THAT YOU'D LIKE TO MAKE TO THIS DOCUMENT?

8 A. NO.

9 MR. GUERRA: I MOVE TO ADMIT APPLICANT'S EXHIBIT
10 NO. 1 INTO EVIDENCE, AND REQUEST PERMISSION OF THE
11 HEARING EXAMINER TO ASK A COUPLE ADDITIONAL DIRECT
12 QUESTIONS TO -- THERE ARE ONLY A FEW QUESTIONS -- TO
13 WALK YOU THROUGH HOW THE SYSTEM WORKS.

14 JUDGE MORAN: OKAY. MR. ARIDAS, IS THERE ANY
15 OBJECTION TO EITHER THE ADMISSION OF THE TESTIMONY
16 OR ANY ADDITIONAL DIRECT?

17 MR. ARIDAS: WELL, THERE'S NO OBJECTION TO THE
18 ADMISSION OF THE TESTIMONY, BUT I DON'T KNOW IF --

19 MR. GUERRA: I ONLY HAVE THREE QUESTIONS.

20 MR. ARIDAS: I WAS GOING TO WALK HIM THROUGH THE
21 SYSTEM FOR MY UNDERSTANDING, SO I DON'T KNOW IF
22 THAT'S NECESSARY TO DO -- TO HAVE HIS COUNSEL DO

1 THAT.

2 JUDGE MORAN: I DON'T SEE THE HARM.

3 YOU CAN CERTAINLY ADD YOUR QUESTIONS TO

4 THAT.

5 MR. GUERRA: AND IT'S VERY BRIEF.

6 JUDGE MORAN: OKAY --

7 MR. ARIDAS: I'M SORRY.

8 JUDGE MORAN: LET ME MAKE TWO SEPARATE RULINGS

9 HERE.

10 FIRST, APPLICANT'S EXHIBIT NO. 1 IS

11 ADMITTED INTO EVIDENCE.

12 (WHEREUPON, APPLICANT

13 EXHIBIT NO. 1 WAS

14 ADMITTED INTO EVIDENCE AS

15 OF THIS DATE.)

16 JUDGE MORAN: AND I'M GOING TO ALLOW SOME BRIEF

17 ADDITIONAL DIRECT TESTIMONY.

18 PROCEED.

19 BY MR. GUERRA:

20 Q. OKAY. MR. DANIEL, CAN YOU GIVE ME A BRIEF

21 OVERVIEW OF THE RICOCHET2 NETWORK ARCHITECTURE?

22 A. YES. BASICALLY, THIS IS A RICOCHET2 MODEM.

1 THIS IS A RICOCHET2 -- WHAT WE CALL A POLE-TOP
2 RADIO. THIS IS ALSO A DIFFERENT VERSION OF THI S
3 CALLED NIF RADIO.
4 BASICALLY --
5 JUDGE MORAN: OKAY. CAN YOU IDENTIFY THOSE SOME
6 WAY SO THAT WHEN YOU'RE CREATING THE RECORD --
7 BY MR. GUERRA:
8 Q. CAN YOU DESCRIBE THEM FOR US?
9 A. THIS IS A RICOCHET METRICOM GS WIRELESS
10 MODEM.
11 JUDGE MORAN: OKAY. AND CAN WE CALL THAT
12 SOMETHING? CAN WE CALL THAT EXHIBIT X --
13 THE WITNESS: FOR EXHIBIT X.
14 JUDGE MORAN: -- FOR PURPOSES OF DIRECT?
15 THE WITNESS: OKAY. EXHIBIT X.
16 JUDGE MORAN: THANK YOU.
17 THE WITNESS: THIS IS EXHIBIT Y. THIS IS A
18 METRICOM RICOCHET POLE-TOP RADIO.
19 JUDGE MORAN: AND IT'S A WHITE --
20 THE WITNESS: EXHIBIT Y.
21 JUDGE MORAN: -- RECTANGULAR BOX?
22 THE WITNESS: A RICOCHET USER USES THIS MODEM TO

1 COMMUNICATE WITH THIS BOX WIRELESSLY. THIS RICOCHET
2 POLE-TOP TALKS TO A METRICOM WIRED ACCESS POINT,
3 WHICH IS NOTHING MORE AS (SIC) A LOCATION WHERE WE
4 COLLECT ALL OUR SIGNALS FROM THESE POLE-TOP RADIOS
5 AND WE TRANSLATE THOSE SIGNALS INTO IP NETWORK DATA
6 PACKETS.

7 AT THAT POINT, EACH OF OUR WIRED ACCESS
8 POINTS IS -- HAS A PRIVATE-LINE DIRECT CONNECTION TO
9 A NETWORK INTERFACE FACILITY. AND FOR AN AREA THE
10 SIZE OF CHICAGO, WE MIGHT HAVE ANYWHERE FROM 150 TO
11 200 OF THESE WIRED ACCESS POINTS. THEY'RE ALL HOMED
12 BACK INTO ONE CENTRAL FACILITY WHERE WE DO ALL OUR
13 ROUTING AND HANDING OFF OF OUR SERVICES TO THE
14 AUTHORIZED RESELLERS OF THE RICOCHET SERVICE.

15 JUDGE MORAN: OKAY. DO YOU HAVE MORE QUESTIONS?

16 BY MR. GUERRA:

17 Q. MR. DANIEL, CAN YOU DESCRIBE A RICOCHET DATA
18 SESSION FOR ME?

19 A. BASICALLY, A USER HAS THIS MODEM CONNECTED
20 TO THEIR PC. ONCE YOU TURN ON THE MODEM, IT
21 REGISTERS WITH A METRICOM MAIN SERVER, WHICH IS A
22 PROPRIETARY DEVICE AT OUR NETWORK OPERATION CENTER.

1 IT'S LOCATED IN HOUSTON, TEXAS AND DALLAS, TEXAS.

2 THE PURPOSE OF THE MAIN SERVER IS THAT IT
3 AUTHENTICATES THIS DEVICE AND MAKES SURE THAT IT IS
4 AN AUTHORIZED DEVICE TO WORK ON OUR NETWORK.

5 IT ALSO PROVIDES ROUTING INFORMATION TO
6 TELL THEIR RADIO WHERE IT SHOULD CONNECT THAT TO AND
7 ITS BEST PATH TO TAKE WIRELESSLY.

8 THE USER WILL INITIATE -- START A SESSION
9 AND WILL CONNECT UP TO A METRICOM GATEWAY, WHICH IS
10 A DEVICE THAT COMMUNICATES WITH THE MODEM AND TAKES
11 OFF AND INTERPRETS OUR WIRELESS PROTOCOL. AT THAT
12 POINT, THE TRAFFIC IS FORWARDED TO AN INTERNET
13 SERVICE PROVIDER.

14 Q. DOES A RICOCHET USER USE THE PUBLICLY
15 SWITCHED NETWORK AT ANY TIME?

16 A. NO.

17 MR. GUERRA: OKAY. THAT'S ALL THE QUESTIONS I
18 HAVE.

19 JUDGE MORAN: THOSE ARE ALL THE QUESTIONS YOU
20 HAVE?

21

22

1 EXAMINATION

2 BY

3 JUDGE MORAN:

4 Q. MR. DANIEL, WITH YOUR PREFILED TESTIMONY,

5 AND I WOULD ASSUME IT'S -- WITH -- YES. IT'S IN

6 APPLICANT'S EXHIBIT NO. 1, YOU HAVE SOME DIAGRAMS

7 INCLUDED --

8 A. YES.

9 Q. -- IN THAT ATTACHMENT TO YOUR TESTIMONY.

10 IS THERE ANY DIAGRAM THAT REFLECTS THE SE

11 PHYSICAL EXHIBITS X AND Y?

12 A. YES.

13 Q. OKAY.

14 A. IF YOU WOULD TURN TO PAGE NO. 3.

15 Q. PAGE NO. 3?

16 MR. GUERRA: THAT'S IN THE --

17 MR. MC CAFFREY: IT'S EXHIBIT NO. 2, FIGURE 2.

18 THE WITNESS: THE ATTACHMENT.

19 MR. GUERRA: IN THE ATTACHMENT ATTACHED TO HIS

20 TESTIMONY.

21 BY JUDGE MORAN:

22 Q. SURE. I'M THERE.

1 A. OKAY. WHERE IT SAYS, THE RICOCHET USER HAS
2 A LITTLE PC AND A LITTLE ANTENNA STICKING ON IT,
3 THAT REPRESENTS THE EXHIBIT X, WHICH IS THE RICOCHET
4 MODEM. THE MICROCELL RADIO IS EXHIBIT Y.

5 Q. WOULD YOU PLEASE COME TO THE BENCH AND
6 INDICATE THAT FOR ME?

7 A. THIS IS THE RICOCHET MODEM WHICH IS ATTACHED
8 TO A PC AND WHICH IS EXHIBIT X.

9 Q. X.

10 A. THIS IS THE MICROCELL RADIO WHICH IS
11 EXHIBIT Y.

12 Q. OKAY. CAN YOU POINT THAT OUT ALSO TO STAFF?

13 A. IN THIS DRAWING RIGHT HERE, THIS IS THE
14 RICOCHET MODEM WHICH IS BEING SHOWN AS EXHIBIT Y,
15 AND THIS IS THE MICROCELL RADIO, WHICH IS EXHIBIT X.

16 MR. ARIDAS: THANK YOU.

17 JUDGE MORAN: OKAY. AND YOU ARE TENDERING YOUR
18 WITNESS FOR CROSS-EXAMINATION.

19 MR. GUERRA: FOR CROSS-EXAMINATION.

20 JUDGE MORAN: MR. ARIDAS, PLEASE.

21

22

1 CROSS -EXAMINATION

2 BY

3 MR. ARIDAS:

4 Q. GOOD MORNING, MR. DANIEL. MY NAME IS TOM

5 ARIDAS. I REPRESENT STAFF.

6 A. GOOD MORNING.

7 Q. ON PAGE 5 OF YOUR TESTIMONY, YOU DESCRIBE

8 THE METRICOM RICOCHET NETWORK, GENERALLY. AND,

9 BASICALLY, YOU SAY THAT METRICOM PROVIDES RICOCHET

10 NETWORK USERS WITH THE ABILITY TO CONTACT INTERNET

11 SERVICE PROVIDERS USING WIRELESS MODEMS; IS THAT

12 ACCURATE?

13 A. YES.

14 Q. IF WE CAN TURN TO THAT CHART THAT YOU WERE

15 JUST SHOWING THE HEARING EXAMINER THAT'S ATTACHED TO

16 YOUR TESTIMONY, I'D LIKE FOR YOU TO KIND OF WALK ME

17 THROUGH THIS, SO I HAVE A BETTER UNDERSTANDING OF

18 THE NETWORK HERE, AND THEN I HAVE SOME QUESTIONS TO

19 ASK YOU ABOUT THIS.

20 DO YOU HAVE THE CHART IN FRONT OF YOU?

21 A. YES.

22 MR. MC CAFFREY: FOR THE RECORD, THAT'S FIGURE

1 2.

2 THE WITNESS: FIGURE 2.

3 BY MR. ARIDAS:

4 Q. FIGURE 2.

5 I'M MORE CONCERNED ABOUT THE BACK END OF
6 THE NETWORK, PARTICULARLY, FROM THE WIRED ACCESS
7 POINT TO THE METRICOM NIF, NETWORK INTERFACE
8 FACILITY.

9 A. YES.

10 Q. DOES METRICOM'S SERVICE OFFERING END AT THE
11 NETWORK INTERFACE FACILITY?

12 A. YES.

13 Q. IT DOES?

14 A. YES.

15 Q. OKAY.

16 MR. GUERRA: I HAVE AN OBJECTION. CAN YOU
17 CLARIFY THAT QUESTION? CAN YOU DEFINE WHAT YOU
18 MEAN BY END?

19 MR. ARIDAS: WELL, IT'S --

20 JUDGE MORAN: I'M A LITTLE UNCLEAR ALSO ABOUT
21 THAT OR MAYBE COULD YOU MAKE CLEAR WHAT YOU WERE
22 REFERRING TO IN TERMS OF THE DIAGRAM AND THE

1 DRAWING?

2 MR. ARIDAS: SURE.

3 JUDGE MORAN: THAT MAY HELP.

4 MR. ARIDAS: SURE. WE'RE LOOKING AT THE WIRED

5 ACCESS POINT, YOU SEE THAT, THAT LITTLE TOWER THERE

6 ON THE DIAGRAM?

7 JUDGE MORAN: THE TOP TOWER? THE BOTTOM --

8 MR. ARIDAS: YEAH. IT DOESN'T MATTER.

9 JUDGE MORAN: OKAY.

10 MR. ARIDAS: AND THEN WE HAVE A CONNECTION WITH

11 A T-1 CIRCUIT TO A BOX KNOWN AS THE METRICOM NIF --

12 JUDGE MORAN: RIGHT.

13 MR. ARIDAS: -- NETWORK INTERFACE FACILITY.

14 BY MR. ARIDAS:

15 Q. AND MY QUESTION SIMPLY IS WHETHER METRICOM'S

16 SERVICE OFFERING ENDS AT THE NETWORK INTERFACE

17 FACILITY?

18 MR. GUERRA: AND MY OBJECTION IS I WANTED HIM TO

19 DEFINE WHAT HE MEANS BY END. I MEAN --

20 MR. ARIDAS: OKAY. LET ME TRY TO CLARIFY THIS.

21 JUDGE MORAN: OKAY.

22 BY MR. ARIDAS:

1 Q. I'M TRYING TO UNDERSTAND WHERE THE END --
2 THE TERMINATION POINT OF YOUR SERVICE OFFERING IS.
3 YOU'RE ASKING THIS COMMISSION TO LOOK AT
4 METRICOM'S SERVICE OFFERING, SO I'M TRYING TO
5 UNDERSTAND. OBVIOUSLY, WE BEGIN WITH THE RICOCHET
6 WIRELESS MODEM AT THE END USER; THAT'S THE BEGINNING
7 OF IT, CORRECT?
8 AND I MEAN I'M TRYING TO UNDERSTAND
9 WHETHER WE SHOULD BE LOOKING AT IT AT THE NETWORK
10 INTERFACE FACILITY, WHETHER WE SHOULD BE LOOKING AT
11 THE LITTLE BOX AFTER THAT, WHICH IS THE RICOCHET
12 SERVICE PROVIDER GATEWAY; WHETHER IT ENDS AT THE B O X
13 AFTER THAT, THE INTERNET SERVICE PROVIDER NETWORK.
14 WHERE EXACTLY DOES THE SERVICE OFFERING
15 OF METRICOM END?
16 MR. GUERRA: DO YOU UNDERSTAND THE QUESTION?
17 THE WITNESS: A LITTLE BIT CONFUSED ABOUT THE
18 QUESTION BECAUSE --
19 JUDGE MORAN: MAYBE YOU CAN GO THROUGH IT. LET
20 THE WITNESS GO THROUGH --
21 MR. ARIDAS: THAT'S FINE.
22 JUDGE MORAN: -- EXACTLY EACH STEP. AND THAT

1 WAY, MAYBE --

2 THE WITNESS: OKAY.

3 JUDGE MORAN: -- THAT WILL BECOME OBVIOUS.

4 THE WITNESS: BASICALLY, WE ARE A MOBILE

5 WIRELESS DATA SERVICE. WE RESELL -- WE PROVIDE THE

6 SERVICE WHOLESALE TO INTERNET SERVICE PROVIDERS.

7 ALL THE INTERNET SERVICE PROVIDERS HAVE

8 DIRECT CONNECTIONS INTO OUR NETWORK AT VARIOUS -- AT

9 OUR VARIOUS NIFS IN THE USA.

10 SO WHEN YOU SAY, DOES THE SERVICE

11 OFFERING END, I'M NOT SURE IF YOU'RE TALKING ABOUT

12 THE USER OR US AS METRICOM, A COMPANY.

13 BY MR. ARIDAS:

14 Q. OKAY. LET ME SEE -- LET ME TRY TO SEE IF I

15 CAN CLARIFY THIS FOR YOU.

16 I'M A METRICOM USER, OKAY --

17 A. A RICOCHET USER.

18 Q. -- A RICOCHET USER, AND I WANT TO SEND AN

19 E-MAIL, OKAY? WE'RE GOING TO GO FROM THE WIRELESS

20 MODEM -- MY E-MAIL TRANSMISSION WILL GO FROM THE

21 WIRELESS MODEM TO THE MICROCELL RADIO, CORRECT?

22 A. CORRECT.

1 Q. AND THEN IT WILL GO TO THE WIRED ACCESS
2 POINT, CORRECT?
3 A. CORRECT.
4 Q. THEN IT WILL GO OVER A T-1 CIRCUIT TO A
5 METRICOM NETWORK INTERFACE FACILITY, CORRECT?
6 A. YES.
7 Q. THEN IT'LL GO TO THE RICOCHET SERVICE
8 PROVIDER GATEWAY?
9 A. YES.
10 Q. AND THEN IT GOES VIA A DS-3 CIRCUIT TO AN
11 INTERNET SERVICE PROVIDER NETWORK?
12 A. YES.
13 Q. AT WHAT POINT DO I CEASE BEING A METRICOM
14 CUSTOMER?
15 WITH THAT -- WHEN MY TRANSMISSION GETS TO
16 THE INTERNET SERVICE PROVIDER, DO I, AT THAT POINT,
17 BECOME A CUSTOMER OF THE INTERNET SERVICE PROVIDER,
18 AND THEY'RE RESPONSIBLE FOR FORWARDING THE
19 COMMUNICATION FROM THAT POINT; IS THAT AN ACCURATE
20 STATEMENT?
21 MR. MC CAFFREY: POINT OF CLARIFICATION, AS LONG
22 AS YOUR MODEM IS TURNED ON, YOU CONTINUE TO BE A

1 METRICOM USER.

2 MR. ARIDAS: WELL, I'D LIKE THE WITNESS TO ANSWER
3 THE QUESTION, NOT MR. MCCAFFREY.

4 THE WITNESS: THE ANSWER TO YOUR QUESTION WAS --
5 WILL YOU RESTATE YOUR QUESTION AGAIN, THE LAST PART
6 OF IT?

7 BY MR. ARIDAS:

8 Q. OKAY. METRICOM NETWORK INTERFACE FACILITY
9 BOX, INTERNET SERVICE PROVIDER NETWORK BOX. WHERE
10 DOES METRICOM'S SERVICE END?

11 DOES IT END FROM THE RICOCHET USER, FROM
12 THE WIRELESS MODEM TO THE INTERNET SERVICE PROVIDER ,
13 OR SHOULD WE LOOK AT IT FROM THE RICOCHET WIRELESS
14 MODEM TO THE METRICOM NETWORK INTERFACE FACILITY?

15 I MEAN, BECAUSE YOU DON'T HAVE ANYTHING
16 FURTHER AFTER THE INTERNET SERVICE PROVIDER BOX, SO
17 IT HAS TO EITHER END AT THE ISP OR THE METRICOM NIF.
18 SO I'M JUST TRYING TO UNDERSTAND WHICH ONE OF THOSE
19 TWO POINTS THE SERVICE OFFERING -- WE SHOULD STOP
20 LOOKING AT YOUR SERVICE OFFERING?

21 A. WELL, YOU'RE ASKING A TWO -PART QUESTION, SO
22 MY QUESTION WAS -- ORIGINALLY WAS, ARE YOU REFERRING

1 TO ME AS A RICOCHET USER?

2 Q. YES.

3 A. MY SERVICE ENDS AT THE ISP.

4 Q. AT THE ISP. OKAY. THANKS.

5 JUDGE MORAN: OKAY. CAN YOU MAYBE DEFINE WHO

6 THE RICOCHET USER IS?

7 THE WITNESS: THE RICOCHET USER IS THE PERSON

8 WHO'S USING THIS MODEM.

9 JUDGE MORAN: OKAY. AND THAT PERSON WOULD BE?

10 THE WITNESS: A SUBSCRIBER, A RICOCHET

11 SUBSCRIBER, WHO HAS PURCHASED THE SERVICE FROM THE

12 ISP.

13 JUDGE MORAN: OKAY. FROM THE ISP, NOT FROM

14 METRICOM DIRECTLY?

15 THE WITNESS: YES.

16 JUDGE MORAN: OKAY.

17 BY MR. ARIDAS:

18 Q. SO IT WOULD BE A FAIR STATEMENT TO SAY WHEN

19 THIS COMMISSION IS LOOKING AND EVALUATING METRICOM'S

20 SERVICE IN THIS CASE, WE SHOULD LOOK AT IT FROM THE

21 WIRELESS MODEM, WHICH THE END USER IS USING, TO THE

22 INTERNET SERVICE PROVIDER NETWORK?

1 MR. GUERRA: OBJECTION. THAT CALLS FOR A LEGAL
2 CONCLUSION AS TO WHAT THE COMMISSION WILL LOOK AT.

3 MR. ARIDAS: WELL, YOU KNOW, THERE -- THEY BRING
4 THIS CASE BEFORE US, AND WE'RE TRYING TO -- THEY'VE
5 MADE ALL SORTS OF ARGUMENTS TO WHAT THEIR SERVICE
6 IS, AND IT'S UNIQUE AND KIND OF NEW TECHNOLOGY, WHAT
7 HAVE YOU. WE'RE TRYING TO GET AN UNDERSTANDING.

8 JUDGE MORAN: WHAT WAS THE QUESTION AGAIN?

9 MR. ARIDAS: THE QUESTION WAS SIMPLY WHETHER,
10 WHEN WE'RE EVALUATING THEIR SERVICE --

11 JUDGE MORAN: OKAY. WHEN WE'RE EVALUATING?

12 MR. ARIDAS: RIGHT. THE COMMISSION, STAFF OF
13 THE COMMISSION, WHAT HAVE YOU, SHOULD WE LOOK AT IT
14 FROM THE WIRELESS MODEM THAT THE END USER IS USING
15 FROM THEIR LAPTOP OR WHATEVER TO THE INTERNET
16 SERVICE PROVIDER; IS THAT -- THAT'S WHAT THEY HAVE
17 HERE IN THIS CHART.

18 JUDGE MORAN: THAT'S A FAIR QUESTION.

19 THE WITNESS: YES.

20 BY MR. ARIDAS:

21 Q. OKAY. THANK YOU.

22 WHAT ARE -- MR. DANIEL, WHAT ARE SOME OF

1 THE INTERNET SERVICE PROVIDERS WITH WHICH METRICOM
2 HAS CONTRACTED WITH HERE IN CHICAGO, DO YOU KNOW?

3 MR. GUERRA: THAT MIGHT BE A BETTER QUESTION FOR
4 MR. SCHELLMAN.

5 MR. ARIDAS: THAT'S FINE.

6 BY MR. ARIDAS:

7 Q. BACK TO MY HYPOTHETICAL ABOUT I'M A RICOCHET
8 USER AND I WANT TO SEND AN E-MAIL.

9 WOULD YOU AGREE WITH THE STATEMENT: WHEN
10 I COMPOSE MY E-MAIL AND I'M USING RICOCHET'S
11 NETWORK, YOU ARE PROVIDING THE TRANSMITTAL SERVICE
12 FROM MY LAPTOP TO THE INTERNET SERVICE PROVIDER?

13 A. YES.

14 Q. OKAY. CAN YOU TURN TO PAGE 4 OF YOUR
15 TESTIMONY, PLEASE.

16 ON PAGE 4, YOU STATE THAT METRICOM PLACES
17 ONE NETWORK INTERFACE FACILITY IN EACH GEOGRAPHIC
18 SERVICE AREA. CAN YOU EXPLAIN TO US WHAT METRICOM'S
19 GEOGRAPHIC SERVICE AREA WOULD BE IN ILLINOIS, IN
20 CHICAGO; CAN YOU DEFINE THAT HERE?

21 MR. GUERRA: THAT'S A BETTER QUESTION FOR
22 MR. SCHELLMAN.

1 BY MR. ARIDAS:

2 Q. OKAY. WOULD YOU AGREE WITH ME THAT METRICOM
3 USES ITS FACILITIES IN COMBINATION WITH THE LOCAL
4 EXCHANGE CARRIER'S FACILITIES?

5 A. COULD YOU CLARIFY WHAT YOU MEAN BY LOCAL
6 EXCHANGE CARRIER FACILITY?

7 Q. AMERITECH WOULD BE THE LOCAL EXCHANGE
8 CARRIER IN CHICAGO.

9 DOES METRICOM USE ITS FACILITIES IN
10 COMBINATION WITH AMERITECH'S FACILITIES?

11 MR. GUERRA: CAN YOU CLARIFY THE QUESTION AND
12 DESCRIBE WHAT YOU MEAN BY COMBINATION?

13 BY MR. ARIDAS:

14 Q. DO YOU -- AT ANY POINT WHILE YOU'RE
15 TRANSMITTING THAT E-MAIL EXAMPLE AGAIN, WHILE YOU'RE
16 TRANSMITTING THAT, WILL THAT COMMUNICATION OR
17 TRANSMITTAL, WHATEVER YOU WANT TO CALL IT, USE AN
18 AMERITECH FACILITY AT ANY PORTION OF ITS
19 TRANSMITTAL?

20 A. WHAT DO YOU MEAN BY FACILITY?

21 Q. WILL IT INTERCONNECT OR COMBINE WITH ANY
22 PORTION OF AMERITECH'S NETWORK?

1 A. WHICH NETWORK?

2 Q. OKAY.

3 MR. GUERRA: YOU KNOW, THIS MIGHT BE A QUESTION

4 ALSO BETTER SUITED FOR MR. SCHELLMAN.

5 MR. ARIDAS: THAT'S FINE.

6 THE REASON -- JUST A COMMENT OR A

7 STATEMENT -- I WAS ASKING MR. DANIEL THESE

8 STATEMENT -- THESE QUESTIONS WAS BECAUSE THE WAY I

9 READ HIS TESTIMONY, HE WAS DESCRIBING THE NETWORK

10 AND THE SYSTEM.

11 SO I THOUGHT THAT HE WOULD BE THE

12 WITNESS, BUT I'LL DIRECT THEM TO MR. SCHELLMAN.

13 MR. GUERRA: OKAY.

14 BY MR. ARIDAS:

15 Q. MR. DANIEL, DOES THE METRICOM NETWORK AS IT

16 IS CURRENTLY DESIGNED HAVE THE ABILITY TO SUPPORT

17 VOICE TRAFFIC IN ADDITION TO DATA?

18 A. NO.

19 Q. AND CAN YOU EXPLAIN WHY THAT IS MAYBE?

20 A. WE TRANSMIT IP DATA PACKETS. AND BECAUSE OF

21 THE INHERENT DELAY OF IP THAT'S IN THE TRANSMISSION

22 OF DATA PACKETS, THE QUALITY WOULD NOT BE SUFFICIENT

1 FOR VOICE BECAUSE WE DO NOT OFFER ANY QUALITY OF
2 SERVICE IN OUR NETWORK WHICH VOICE REQUIRES.

3 Q. COULD YOU ALTER YOUR TECHNOLOGY, UPGRADE
4 YOUR TECHNOLOGY, CHANGE YOUR TECHNOLOGY IN THE
5 FUTURE TO PROVIDE THAT AS A SERVICE OFFERING,
6 THEORETICALLY?

7 A. NO.

8 Q. IT'S NOT POSSIBLE?

9 A. AT THIS POINT, I WOULD HAVE TO SAY NO.

10 Q. BUT YOU'RE NOT RULING IT OUT; CIRCUMSTANCES
11 COULD CHANGE?

12 I MEAN, YOU CHANGED YOUR BUSINESS PLANS
13 FROM THE RICOCHET -- THE ORIGINAL RICOCHET NETWORK
14 WHICH DIRECTLY CONNECTED TO CORPORATE AREA NETWORKS.
15 SO, THEORETICALLY, YOU COULD CHANGE YOUR SERVICE
16 OFFERINGS IN THE FUTURE? I MEAN, IT'S NOT
17 IMPOSSIBLE IF YOU DECIDE TO DO THAT?

18 A. I WOULD HAVE TO SAY, NO, BECAUSE OF THE
19 QUALITY SERVICE ISSUES.

20 YOU HAVE TO HAVE A CERTAIN AMOUNT OF
21 QUALITY SERVICE FOR VOICE, WHICH OUR NETWORK
22 CURRENTLY DOES NOT SUPPORT.

1 MR. ARIDAS: OKAY. I HAVE NO FURTHER QUESTIONS
2 FOR MR. DANIEL.

3 FURTHER EXAMINATION

4 BY

5 JUDGE MORAN:

6 Q. MR. DANIEL, ON PAGE 6 OF YOUR TESTIMONY,
7 EXHIBIT NO. 1, IN THE ANSWER TO THE FIRST QUESTION
8 THAT APPEARS AT THE TOP OF THAT PAGE, YOU INDICATE
9 THAT METRICOM DOES NOT USE THE EXISTING SWITCH
10 NETWORK TO PROVIDE ITS SERVICES.

11 CAN YOU FLUSH THAT OUT A LITTLE MORE FOR
12 ME?

13 A. METRICOM DOES NOT USE THE PUBLIC SWITCH
14 TELEPHONE NETWORK.

15 Q. WOULD THAT CONTEMPLATE AMERI TECH?

16 WOULD -- I'M TRYING TO SEE HOW THAT FITS
17 WITH THE QUESTION THAT MR. ARIDAS ASKED.

18 A. WE DO NOT USE ANY SWITCH FACILITIES PROVIDED
19 BY AMERITECH.

20 Q. WHATSOEVER?

21 A. WHATSOEVER.

22 Q. OKAY. AND THEN YOU GO ON FURTHER IN THAT

1 RESPONSE TO SAY THE ONLY TELECOMMUNICATIONS
2 FACILITIES THAT MAY BE USED IN THE RICOCHET2 NETWORK
3 ARE LEASED LINES TO CONNECT THE WAPS TO THE NIF OR
4 TO CONNECT THE NIF TO THE INTERNET SERVICE PROVIDER
5 NETWORK.

6 AT WHAT POINT IN THE TRANSMITTAL WOULD
7 THAT OCCUR?

8 A. THAT WOULD OCCUR BETWEEN THE WAP AND -- THE
9 CONNECTION BETWEEN THE WIRED ACCESS POINT AND THE
10 NETWORK INTERFACE FACILITY.

11 Q. OKAY. AND WHAT WOULD THOSE
12 TELECOMMUNICATIONS FACILITIES BE EXACTLY?

13 A. PRIVATE LEASED DATA LINES.

14 Q. PARDON ME?

15 A. PRIVATE LEASED DATA LINES.

16 Q. OKAY. AS I UNDERSTAND IT, THIS RICOCHET2
17 SYSTEM ONLY DEALS WITH DATA?

18 A. YES.

19 Q. THERE'S NEVER ANY CONVERSION OF VOICE?

20 A. NO.

21 JUDGE MORAN: OKAY. I HAVE NO QUESTIONS.

22 ANY --

1 MR. GUERRA: CAN WE JUST HAVE A COUPLE SECONDS?

2 JUDGE MORAN: SURE. HM-HMM.

3 WHY DON'T WE TAKE A FIVE-MINUTE BREAK.

4 (RECESS TAKEN.)

5 JUDGE MORAN: OKAY. WE CAN GO BACK ON THE

6 RECORD.

7 MR. GUERRA: OKAY. I JUST HAVE A FEW QUESTIONS

8 FOR REDIRECT.

9 REDIRECT EXAMINATION

10 BY

11 MR. GUERRA:

12 Q. MR. DANIEL, IS THE RICOCHET USER A CUSTOMER

13 OF METRICOM OR THE INTERNET SERVICE PROVIDER?

14 A. INTERNET SERVICE PROVIDER.

15 Q. DOES RICOCHET2 PROVIDE ANY INTERNET SERVICES

16 SUCH AS E-MAIL SERVICE?

17 A. NO.

18 Q. IN THE E-MAIL EXAMPLE THAT WAS GIVEN TO YOU,

19 WOULD THE SERVICE HAVE BEEN PROVIDED BY THE ISP?

20 A. YES.

21 Q. YOU WERE REFERRED TO PAGE 6 OF YOUR

22 TESTIMONY TO THE SENTENCE THAT STATES -- TURN TO

1 PAGE 6.

2 AND THERE, IT STATES THAT METRICOM DOES
3 NOT USE EXISTING SWITCH NETWORK TO PROVIDE ITS
4 SERVICES. THE ONLY TELECOMMUNICATIONS FACILITIES
5 THAT MAY BE USED IN THE RICOCHET2 NETWORK ARE LEASED
6 LINES TO CONNECT WAPS TO THE NIF OR TO CONNECT THE
7 NIF TO THE INTERNET SERVICE PROVIDER NETWORKS.

8 I JUST WANT TO CLARIFY. WHEN WE TALK
9 ABOUT THESE COMMUNICATIONS, IS A USER MAKING A CALL
10 TO THE ISP?

11 A. NO.

12 Q. OKAY. AND YOU WERE ALSO ASKED ABOUT
13 COMMUNICATION WITH THE ISP AND METRICOM'S SERVICE
14 ENDING AT THE ISP.

15 DOES THE COMMUNICATION END AT THE ISP?

16 A. NO.

17 MR. GUERRA: THAT'S ALL WE HAVE.

18 JUDGE MORAN: I HAVE A FEW MORE QUESTIONS.

19 FURTHER EXAMINATION (CONT'D)

20 BY

21 JUDGE MORAN:

22 Q. MR. DANIEL, THIS RICOCHET2 SERVICE, THAT'S

1 NOT A SUBSTITUTE FOR TELEPHONE SERVICE?

2 A. NO.

3 Q. IT'S NOT A SUBSTITUTE FOR INTERNET SERVICE?

4 A. SUBSTITUTE FOR -- WHAT'S THE LAST THING YOU

5 SAID?

6 Q. FOR INTERNET SERVICE.

7 A. NO.

8 Q. OKAY. AND THE END USER -- THE PERSON THAT

9 WOULD HAVE THAT RICOCHET MODEM, THAT PERSON WOULD

10 NOT BE PAYING FOR THAT MODEM A CHARGE TO METRICOM,

11 AS I UNDERSTAND IT?

12 A. NO.

13 Q. THEY WOULD BE PAYING TO THEIR INTERNET

14 SERVICE PROVIDER?

15 A. YES.

16 Q. AND SO THE INTERNET SERVICE PROVIDER WOULD

17 BE PROVIDING THAT RICOCHET MODEM TO THEM?

18 A. YES.

19 Q. AND METRICOM IN NO WAY IS DIRECTLY MARKETING

20 TO THAT END USER?

21 A. I THINK I SHOULD LET MR. SCHELLMAN ANSWER

22 THAT QUESTION.

1 Q. OH, OKAY. THAT'LL BE FINE.

2 SO THE END USER, IN ESSENCE, JUST GETS
3 SOME OF METRICOM'S EQUIPMENT?

4 A. YES.

5 Q. NOT THE SERVICE, SO TO SPEAK?

6 A. NO.

7 JUDGE MORAN: OKAY. THANK YOU. IF ANYBODY HAS
8 FOLLOW-UP, THAT'D BE FINE.

9 MR. ARIDAS: I HAVE SOME RE CROSS IF THAT'S OKAY.

10 JUDGE MORAN: SURE.

11 RE CROSS - EXAMINATION

12 BY

13 MR. ARIDAS:

14 Q. MR. DANIEL, IN THE E-MAIL EXAMPLE, AM I NOT
15 TRANSMITTING INFORMATION WHEN I COMPOSE MY E-MAIL ON
16 MY LAPTOP WHICH HAS A METRICOM WIRELESS MODEM
17 ATTACHED TO IT?

18 AM I NOT TRANSMITTING INFORMATION WITH
19 THAT E-MAIL WHEN IT GOES FROM MY LAPTOP TO THE
20 INTERNET SERVICE PROVIDER THAT YOU HAVE CONTRACTED
21 WITH?

22 IT IS A FAIR STATEMENT TO SAY I'M

1 TRANSMITTING INFORMATION, IS IT NOT?

2 MR. MC CAFFREY: DATA.

3 THE WITNESS: DATA.

4 BY MR. ARIDAS:

5 Q. TRANSMITTING DATA, BUT THERE IS A

6 TRANSMISSION GOING ON?

7 A. YES.

8 MR. ARIDAS: OKAY. NO FURTHER QUESTIONS.

9 MR. GUERRA: JUST ONE QUICK QUESTION ON RECROSS.

10 FURTHER REDIRECT EXAMINATION

11 BY

12 MR. GUERRA:

13 Q. DURING THAT DATA SESSION, YOUR SERVICE IS

14 ALWAYS ON; IS THAT CORRECT?

15 A. YES.

16 Q. AND WHILE YOU'RE MAKING -- YOU CAN BE DOING

17 A FEW DIFFERENT THINGS ON THE INTERNET AT THE SAME

18 TIME; IS THAT CORRECT?

19 A. YES.

20 MR. GUERRA: THAT'S ALL I HAVE.

21 JUDGE MORAN: CAN YOU CLARIFY, MR. GUERRA, WHAT

22 YOU MEAN BY DOING A FEW OTHER THINGS?

1 BY MR. GUERRA:

2 Q. DURING THAT SESSION, CAN YOU BE VISITING
3 DIFFERENT SITES AND COMPOSING AN E-MAIL, AND YOU CAN
4 BE DOING VARIOUS THINGS ALL AT THE SAME TIME; IS
5 THAT CORRECT?

6 A. YES.

7 JUDGE MORAN: THANK YOU.

8 MR. ARIDAS: CAN I HAVE ONE MORE QUESTION?

9 JUDGE MORAN: YES.

10 FURTHER RECROSS-EXAMINATION (CONT'D)

11 BY

12 MR. ARIDAS:

13 Q. THAT'S NO DIFFERENT THAN ME DOING MANY
14 DIFFERENT THINGS ON MY PLAIN OLD DIAL-UP MODEM AT
15 HOME ON MY COMPUTER, IS IT NOT?

16 THERE'S NO DIFFERENCE? I CAN COMPOSE
17 E-MAIL AND BE ON THE INTERNET, TOO, WITHOUT
18 METRICOM'S WIRELESS SERVICE?

19 A. YES.

20 MR. ARIDAS: THANK YOU.

21 JUDGE MORAN: OKAY.

22 MR. GUERRA: NOTHING ELSE.

1 JUDGE MORAN: MR. DANIEL, THANK YOU SO MUCH.
2 YOU'RE EXCUSED.
3 AND METRICOM HAS ANOTHER WITNESS.
4 MR. GUERRA: YES, WE DO. LET ME GET MY EXHIBITS
5 STRAIGHT HERE.
6 OKAY. METRICOM WOULD LIKE TO CALL ITS
7 NEXT WITNESS, MR. SCHELLMAN, WHO WILL BE ADOPTING --
8 WE'RE CALLING MR. SCHELLMAN WHO WILL BE ADOPTING THE
9 PREFILED DIRECT TESTIMONY OF MR. JOHN WERNKE.
10 MR. WERNKE COULD NOT BE HERE TODAY. HIS WIFE IS
11 EXPECTING ANY MINUTE.
12 THE WITNESS: TWINS.
13 MR. GUERRA: TWINS.
14 JUDGE MORAN: GOOD EXCUSE.
15 ROBERT SCHELLMAN,
16 CALLED AS A WITNESS HEREIN, HAVING BEEN FIRST DULY
17 SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:
18 DIRECT EXAMINATION
19 BY
20 MR. GUERRA:
21 Q. MR. SCHELLMAN, CAN YOU STATE YOUR NAME FOR
22 THE RECORD.

1 A. ROBERT H. SCHELLMAN, JR.

2 Q. AND BY WHOM ARE YOU EMPLOYED AND WHAT IS
3 YOUR POSITION?

4 A. I'M EMPLOYED BY METRICOM AT 98 0 UNIVERSITY
5 AVENUE, LOS GATOS, CALIFORNIA 95032. MY POSITION IS
6 THE SENIOR VICE PRESIDENT OF NETWORK OPERATIONS AND
7 SERVICES.

8 Q. CAN YOU DESCRIBE YOUR BUSINESS BACKGROUND
9 FOR US?

10 A. I HAVE ABOUT 24 YEARS IN THE TELECOM AND
11 INTERNET INDUSTRIES, SPECIALIZING IN NETWORKS AND
12 NETWORK MANAGEMENT SYSTEMS. I'VE DONE DESIGN AND
13 IMPLEMENTATION, OPERATIONS.

14 I HAVE TEN YEARS WITH TELOCITY; OF
15 COURSE, METRICOM, TELOCITY, SPRINT, MCI, WORLDCOM,
16 UUNET, AND THE UNITED STATES ARMY AS A SIGNAL CORPS
17 OFFICER.

18 I'VE HELD POSITIONS FROM ENGINEER UP TO
19 SENIOR VICE PRESIDENT.

20 Q. OKAY. I'M GOING TO HAND YOU A DOCUMENT THAT
21 THE COURT REPORTER HAS MARKED AS APPLICANT T EXHIBIT
22 NO. 2. HAVE YOU READ THIS TESTIMONY?

1 A. I HAVE.

2 Q. AND ARE YOU PREPARED TO ADOPT IT AS YOUR OWN

3 TESTIMONY IN THIS MATTER?

4 A. I AM.

5 Q. IF I ASKED YOU THESE SAME QUESTIONS TODAY,

6 WOULD THE ANSWERS THAT APPEAR IN THIS TESTIMONY,

7 WOULD THE ANSWERS BE THE SAME?

8 A. YES, THEY WOULD.

9 Q. OTHER THAN THE NEW HEADING, WOULD YOU MAKE

10 ANY CHANGES TO THIS TESTIMONY?

11 A. NO.

12 MR. GUERRA: OKAY. I MOVE TO ADMIT APPLICANT'S

13 EXHIBIT NO. 2 INTO EVIDENCE, AND I ALSO REQUEST

14 PERMISSION TO ASK A COUPLE ADDITIONAL DIRECT

15 QUESTIONS.

16 JUDGE MORAN: IS THERE ANY OBJECTION FROM STAFF?

17 MR. ARIDAS: NO OBJECTION.

18 JUDGE MORAN: NO OBJECTION. BOTH OF THOSE

19 REQUESTS WILL BE GRANTED.

20 THE APPLICANT'S EXHIBIT NO. 2 IS ADMITTED

21 INTO THE RECORD.

22

1 (WHEREUPON, APPLICANT
2 EXHIBIT NO. 2 WAS
3 ADMITTED INTO EVIDENCE AS
4 OF THIS DATE.)

5 BY MR. GUERRA:

6 Q. OKAY. THE FIRST QUESTION I'D LIKE TO ASK
7 YOU IS RELATED TO THE MARKETING QUESTION THAT WAS
8 ASKED OF MR. DANIEL.

9 DOES METRICOM DIRECTLY MARKET THE SERVICE
10 TO THE PUBLIC?

11 A. AS A MATTER OF FACT, IT DOES THROUGH
12 CO-BRANDING WITH OUR PARTNERS, THE ISPS OR THE ASPs.
13 ADS WILL START APPEARING THIS -- PROBABLY THIS WEEK.

14 Q. OKAY. ARE CUSTOMERS OF METRICOM -- ARE
15 CUSTOMERS -- ARE USERS OF RICOCHET CUSTOMERS OF
16 METRICOM OR THE ISP?

17 A. THEY ARE ENTIRELY CUSTOMERS OF THE ISP.

18 Q. OKAY. I'M GOING TO ASK ANOTHER QUESTION
19 REGARDING THE FINANCIAL CONDITION OF METRICOM.

20 HAVE THERE BEEN ANY SIGNIFICANT CHANGES
21 BETWEEN THE TIME THAT THE 401 APPLICATION WAS FILED
22 IN THE PREVIOUS DOCKET AND TODAY?

1 A. YES, THERE HAVE BEEN.

2 Q. AND WHAT ARE THOSE?

3 A. THERE'S BEEN A SIGNIFICANT INVESTMENT ON THE
4 PART OF WORLDCOM, VULCAN VENTURES; A SECONDARY STOCK
5 OFFERING AND A DEBT OFFERING CULMINATING IN
6 APPROXIMATELY 1.4 TO 1.6 BILLION DOLLARS OF
7 INVESTMENT INTO THE COMPANY TO PROVIDE FOR THE
8 NATIONWIDE ROLL-OUT FOR RICOCHET2 AS WELL AS ONGOING
9 OPERATIONS.

10 Q. SO YOU WOULD SAY THAT THE FINANCIAL
11 CONDITION HAS IMPROVED SINCE THE ORIGINAL --

12 A. SIGNIFICANTLY, YES.

13 Q. MR. SCHELLMAN, I'M ALSO GOING TO ASK YOU TO
14 GENERALLY DESCRIBE THE SIMILARITIES BETWEEN
15 METRICOM'S RICOCHET SERVICE AND THE CELLULAR RADIO
16 SERVICE.

17 A. OF COURSE, BOTH SERVICES ARE WIRELESS. AND
18 AS IN THE CELLULAR BUSINESS, THE METRICOM RICOCHET2
19 SERVICE COMMUNICATES WITH THE CLOSEST SET OF
20 MICROCELLS, THE WHITE BOX THAT MR. DANIEL WAS
21 SHOWING.

22 THE RADIO NETWORK ARCHITECTURE IS SIMILAR

1 IN THE SENSE THAT IT WAS DESIGNED USING A TWO -HOP
2 APPROACH. IT'S -- ACTUALLY, THE METRICOM SYSTEM IS
3 DESIGNED WITH A TWO -HOP APPROACH WHERE THE CELLULAR
4 APPROACH IS ONE HOP.

5 AND, LASTLY, THE SERVICE IS MOBILE;
6 BASICALLY, A SORT OF HAND-OFF RELATIONSHIP AS YOU
7 WOULD DO IN THE CELLULAR WORLD.

8 Q. OKAY. I WANT TO HAND YOU A DOCUMENT THAT'S
9 BEEN MARKED BY THE REPORTER AS APPLICANT'S
10 EXHIBIT 3. DO YOU RECOGNIZE THIS DOCUMENT?

11 A. I DO.

12 Q. I'M GOING TO DIRECT YOU TO THE FIRST PAGE OF
13 THE DOCUMENT.

14 WHAT IS THIS DOCUMENT ENTITLED?

15 A. IT'S UNITED STATES OF AMERICA FEDERAL
16 COMMUNICATIONS COMMISSION, RADIO STATION
17 AUTHORIZATION FOR COMMERCIAL MOBILE RADIO SERVICES,
18 WIRELESS COMMUNICATIONS SERVICES.

19 Q. AND WHAT TYPE OF LICENSE IS GRANTED IN THIS
20 DOCUMENT?

21 A. THIS IS A LICENSE FOR WHAT'S CALLED WCS,
22 WIRELESS COMMUNICATIONS SERVICES, TO METRICOM TO

1 OPERATE IN THE STATE OF ILLINOIS IN SPECIFIC AREAS.

2 Q. CAN YOU TELL ME WHAT A WCS LICENSE IS?

3 A. RIGHT. WCS IS A WIRELESS COMMUNICATIONS
4 SERVICE. IT'S PART OF THE RULE 27 OF THE FCC THAT
5 IS A PART OF THE SPECTRUM IN WHICH THE FCC HAS
6 AUCTIONED OFF, THAT IS GRANTED EXCLUSIVELY TO THE
7 USERS THROUGHOUT THE NATION, WHEREVER THEY HAPPEN TO
8 HAVE WON THE GRANT OR WON THE AUCTION.

9 IN THIS CASE HERE, THIS IS THE PART THAT
10 WE WON IN THE WAY OF AUCTION IN THE ILLINOIS AREA.

11 Q. OKAY. ON PAGE 3 OF THE DOCUMENT, CAN YOU
12 TURN TO THAT?

13 A. CERTAINLY.

14 Q. IT SPECIFICALLY PROVIDES FOR CERTAIN
15 COUNTIES IN ILLINOIS; IS THAT CORRECT?

16 A. THAT'S CORRECT.

17 MR. GUERRA: I'M GOING TO MOVE TO ADMIT
18 APPLICANT'S EXHIBIT NO. 3 INTO EVIDENCE.

19 JUDGE MORAN: IS THERE ANY OBJECTION?

20 MR. ARIDAS: NO OBJECTION.

21 JUDGE MORAN: THEREFORE, APPLICANT'S EXHIBIT
22 NO. 3 IS ADMITTED INTO THE RECORD.

1 (WHEREUPON, APPLICANT
2 EXHIBIT NO. 3 WAS
3 ADMITTED INTO EVIDENCE AS
4 OF THIS DATE.)

5 BY MR. GUERRA:

6 Q. MR. SCHELLMAN, I'M GOING TO ASK YOU ONE MORE
7 QUESTION ABOUT THE WCS LICENSE.

8 WHAT IS THE WCS -- WHAT ARE THOSE
9 FREQUENCIES USED FOR?

10 A. THESE FREQUENCIES ARE USED FOR TRANSMISSION
11 OF THE DATA TO THE MICROCELLS POLE -TOP RADIOS, AS
12 MR. DANIEL CALLED THEM, WITHIN THE LICENSE SPECTRUM
13 IN THE LICENSED AREA THAT WE'RE IN, AND IT'S A
14 METHOD OF ENSURING THE HIGH-SPEED DATA SERVICES THAT
15 WE OFFER.

16 Q. AND THAT'S FROM WHERE TO THE POLE -TOP?

17 A. THAT'D BE FROM THE WAP, FROM THE WIRED
18 ACCESS POINT, TO THE POLE-TOP RADIO.

19 Q. OKAY. IS THERE ANY OTHER MEANS OF
20 TRANSMISSION WHERE YOU DO NOT HAVE A WCS LICENSE?

21 A. YES, THERE IS.

22 WE HAVE PART 15 OF THE FCC RULE , PART 15

1 CAPABILITIES, WHICH IS THE REGULATED, BUT UNLICENSED
2 PORTION OF THE 900 MEGAHERTZ SPECTRUM AND THE 2.3
3 GIGAHERTZ SPECTRUM. AND WE CALL THAT AN ISM -TYPE
4 WAP VERSUS A WCS -TYPE WAP. AND THE SPECTRUM 915 IS
5 A BIDIRECTIONAL COMMUNICATING TO THE POLE -TOP RADIO
6 AS WELL AS THE 2.4 GIGAHERTZ, WHICH, AGAIN, IS
7 UNLICENSED, BUT REGULATED BY THE FCC; COMMUNICATE
8 ALSO TO THE POLE -TOP RADIO BIDIRECTIONALLY.

9 Q. OKAY. WELL, I'M GOING TO SHOW YOU FOUR
10 DOCUMENTS THAT THE COURT REPORTER HAS MARKED
11 APPLICANT'S EXHIBITS 4, 5, 6 AND 7. I'M GOING TO
12 ASK YOU IF YOU RECOGNIZE THOSE DOCUMENTS?

13 A. I DO.

14 Q. AND WHAT ARE THEY?

15 CAN YOU -- ONE BY ONE, CAN YOU TELL ME
16 WHAT THEY ARE?

17 A. ONE BY ONE, GREAT.

18 THE FIRST DOCUMENT IS DATED MARCH 6,
19 2000. IT'S A DATE OF GRANT BY THE FCC FOR THE
20 EQUIPMENT THAT WE USE IN THE PART 15 RULE LICENSING
21 OF THE -- WHAT WE CALL GS WIRELESS MODEM, WHICH IS
22 THE MODEM THAT MR. DANIEL WAS SHOWING UP HERE

1 EARLIER, AND, ESSENTIALLY, IT'S THE FEDERAL
2 COMMUNICATION'S AUTHORIZATION, EQUIPMENT
3 AUTHORIZATION TO PLACE THAT DEVICE IN SERVICE.

4 THE NEXT DOCUMENT IS, AGAIN, PART OF FCC
5 RULE, PART 13, EXHIBIT NO. 5 -- THANK YOU. IT WAS A
6 DATE OF GRANT OF 11 -- NOVEMBER 29TH, '99, AND IT IS
7 THE, AGAIN, EQUIPMENT AUTHORIZATION BY THE FCC FOR
8 PLACING THE ETHERNET RADIO AND THE POLE-TOP RADIO IN
9 OPERATIONS. THE ETHERNET RADIO IS THE RADIO THAT WE
10 USE AT THE WCS -- OR EXCUSE ME, THE ISM WAP LOCATION
11 TO COMMUNICATE WITH THE POLE-TOP RADIO. SO IT
12 AUTHORIZES A PART 15 UTILIZATION OF THAT EQUIPMENT.

13 THE NEXT IS A JUNE 21, 1994 DOCUMENT FROM
14 THE FCC, AGAIN, A GRANT OF EQUIPMENT AUTHORIZATION
15 FOR THE EARLIER VERSION, RICOCHET1, IF YOU WILL, OF
16 THE POLE-TOP RADIO.

17 JUDGE MORAN: THAT'S EXHIBIT 6.

18 THE WITNESS: EXHIBIT 6, YES, MA'AM.

19 THE LAST DOCUMENT IS EXHIBIT 7, A
20 JUNE 21ST DOCUMENT, 1994, WHICH IS, AGAIN, A GRANT
21 BY THE FCC FOR EQUIPMENT AUTHORIZATION FOR USE OF
22 AND PLACING IN OPERATIONS THE OLDER VERSION OF THE

1 RICOCHET1 MODEM.

2 MR. GUERRA: OKAY. AT THIS POINT, I'M GOING TO

3 MOVE TO ADMIT APPLICANT'S EXHIBITS 4, 5, 6 AND 7

4 INTO EVIDENCE.

5 JUDGE MORAN: IS THERE ANY OBJECTION?

6 MR. ARIDAS: NO OBJECTION.

7 JUDGE MORAN: THEY WILL BE ADMITTED.

8 (WHEREUPON, APPLICANT

9 EXHIBIT NOS. 4, 5, 6 AND 7 WERE

10 ADMITTED INTO EVIDENCE AS

11 OF THIS DATE.)

12 MR. GUERRA: OKAY. AND I HAVE JUST ONE MORE

13 QUESTION.

14 BY MR. GUERRA:

15 Q. CAN YOU BRIEFLY DESCRIBE THE DIFFERENCE

16 BETWEEN THE RICOCHET1 AND RICOCHET2 NETWORKS --

17 NETWORK ARCHITECTURES?

18 A. ACTUALLY, WITH THE EXCEPTION OF THE BUSINESS

19 PLAN AND THE USE OF THE WCS SPECTRUM AND SOME NEWER

20 TECHNOLOGIES AS THIS HAS EVOLVED, THERE IS NO

21 DIFFERENCE IN THE ARCHITECTURE ITSELF.

22 THE BUSINESS PLAN CHANGE WE'VE ALREADY

1 DISCUSSED, AND THE WCS SPECTRUM AUTHORIZATION WE'VE
2 ALREADY DISCUSSED.

3 Q. BUT THERE IS A DIFFERENCE BETWEEN HOW THE
4 SYSTEM COMMUNICATES, WHETHER DIRECTLY THROUGH THE
5 INTERNET OR NOT?

6 A. WELL, AGAIN, THAT'S THE BUSINESS PLAN, AT
7 LEAST WHAT I'M REFERRING TO AS THE BUSINESS PLAN.

8 WE DO NOT PROVIDE IN THE RICOCHET2
9 ARCHITECTURE ANY DIRECT SERVICES TO THE SUBSCRIBER.
10 THAT IS NOW OUTSOURCED OR, IF YOU WILL, IT IS SOLD
11 TO THE INTERNET SERVICE PROVIDER.

12 JUDGE MORAN: I'M NOT CERTAIN THAT THE ENTIRETY
13 OF THAT BUSINESS PLAN IS OF RECORD.

14 SO PERHAPS YOU WOULD ASK YOUR WITNESS TO
15 PUT MORE DETAILS OF THAT IN.

16 BY MR. GUERRA:

17 Q. CAN YOU PROVIDE SOME MORE DETAILS OF THAT
18 BUSINESS PLAN?

19 A. YES, I CAN. AND THIS IS THE BUSINESS PLAN
20 FOR RICOCHET2.

21 Q. YES.

22 A. THE BUSINESS PLAN, AS WE SPOKE OF EARLIER,

1 IS INTENDED TO USE INTERNET SERVICE PROVIDERS, OTHER
2 OPERATING COMPANIES, ET AL., THAT WOULD BE THE
3 DIRECT SALES FORCE AND SELLING THE SERVICES OF
4 RICOCHET DIRECTLY TO THE SUBSCRIBERS.

5 AND, IN FACT, WE HAVE WORLDCOM. THIS IS
6 AN ANSWER TO ONE OF THE OTHER QUESTIONS IS WORLDCOM
7 IS AN AUTHORIZED RESELLER OF RICOCHET SERVICES AS IS
8 JUNO AND SEVERAL OTHERS ARE STARTING TO APPEAR. IT
9 WILL BE ANNOUNCED AS THE DEALS ARE STRUCK.

10 RICOCHET -- METRICOM WILL NOT SELL DIRECT
11 UNDER ITS BUSINESS PLAN TO ANY SUBSCRIBERS. THAT
12 WILL BE TOTALLY DONE THROUGH THE AUTHORIZED
13 RESELLERS OF THE RICOCHET SERVICES AS IN THE CASE OF
14 WORLDCOM AND JUNO. THAT'S ENTIRELY DIFFERENT FROM
15 THE APPROACH OF RICOCHET1, WHICH WAS A RETAIL
16 OFFERING, DIRECT SALES TO THE SUBSCRIBERS, WHICH WE
17 ARE, IN FACT, GOING TO SELL OFF AS WE MOVE DOWN THIS
18 PATH.

19 JUDGE MORAN: OKAY.

20 MR. GUERRA: I HAVE ONE MORE QUESTION.

21 JUDGE MORAN: OKAY.

22 BY MR. GUERRA:

1 Q. IS IT POSSIBLE FOR A RICOCHET USER UNDER THE
2 CURRENT SYSTEM --

3 MR. MC CAFFREY: UNDER RICOCHET2.

4 BY MR. GUERRA:

5 Q. -- UNDER RICOCHET2 TO CONNECT DIRECTLY TO A
6 LAN WITHOUT PASSING THROUGH THE INTERNET?

7 A. UNDER THE BUSINESS PLAN, IT IS NOT POSSIBLE.

8 MR. GUERRA: THAT'S ALL WE HAVE.

9 JUDGE MORAN: OKAY.

10 CROSS-EXAMINATION

11 BY

12 MR. ARIDAS:

13 Q. GOOD MORNING, MR. SCHELLMAN.

14 A. GOOD MORNING.

15 Q. ON PAGE 2 OF YOUR TESTIMONY OR THE TESTIMONY
16 YOU ADOPTED, THE SECOND ANSWER THERE IN THE MIDDLE
17 OF THE PAGE, YOU STATE THAT METRICOM DOES NOT
18 PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICE THAT
19 WOULD REQUIRE IT TO OBTAIN A CERTIFICATE OF SERVICE
20 AUTHORITY AND TO OTHERWISE COMPLY WITH THE
21 PROVISIONS OF THE PUBLIC UTILITY ACT, ARTICLE 13; DO
22 YOU SEE THAT?

1 A. YES.

2 Q. MR. SCHELLMAN, ARE YOU AN ATTORNEY?

3 A. NO.

4 Q. DO YOU -- ARE YOU FAMILIAR WITH THE ILLINOIS
5 RULES OF STATUTORY CONSTRUCTION?

6 A. ONLY TO THE EXTENT THAT I'VE BEEN BRIEFED BY
7 STAFF.

8 Q. OKAY. YOU MENTIONED PUBLIC UTILITY ACT,
9 ARTICLE 13, SECTION 401 IN YOUR TESTIMONY.

10 YOU'RE NOT AWARE OF WHETHER OR NOT THE
11 COMMISSION HAS ISSUED A 13-401 CERTIFICATE TO ANY
12 OTHER ENTITY OTHER THAN A CELLULAR CARRIER, ARE YOU?

13 A. NO, I'M NOT.

14 Q. DO YOU KNOW WHAT THE SPECIFIC SHOWINGS THAT
15 A CELLULAR CARRIER MUST MAKE TO OBTAIN A 13-401
16 CERTIFICATE?

17 A. NOT SPECIFICALLY, NO.

18 Q. OKAY. I'D LIKE TO MOVE TO SOME OF THE
19 QUESTIONS THAT WERE DEFERRED TO YOU BY MR. DANIEL,
20 IF I MAY.

21 WHAT ARE -- CAN YOU TELL US SOME OF THE
22 INTERNET SERVICE PROVIDERS WITH WHICH METRICOM HAS

1 CONTRACTS HERE IN CHICAGO TO PROVIDE SERVICE?

2 A. YES. IN CHICAGO, THERE ARE NO SPECIFIC, AS
3 WE WOULD CALL THEM, REGIONAL ISPS THAT WE HAVE
4 CONTRACTS WITH. IT COULD HAPPEN IN THE FUTURE.

5 THE TWO CURRENT ONES, AS I'VE PREVIOUSLY
6 MENTIONED, ARE WORLDCOM WHICH HAS SEVERAL ISPS THAT
7 THEY SUPPORT; AND JUNO, WHICH I THINK WE ALL KNOW
8 WHO THAT IS. THOSE ARE THE TWO ANNOUNCED TO DATE.

9 Q. OKAY. AND THAT'S ALL YOU --

10 A. THAT'S THE TWO ANNOUNCED TO DATE, RIGHT.

11 Q. OKAY. THE OTHER QUESTION I WAS ASKING
12 MR. DANIEL, WOULD IT BE A FAIR STATEMENT TO SAY THAT
13 METRICOM USES ITS FACILITIES IN COMBINATION WITH
14 LOCAL EXCHANGE CARRIERS' FACILITIES?

15 A. I'M A LITTLE CONFUSED WITH THE WORD IN
16 COMBINATION WITH LOCAL EXCHANGE --

17 Q. OKAY.

18 A. -- FACILITIES.

19 Q. DO YOU -- DO YOU LEASE T-1 LINES FROM
20 AMERITECH?

21 A. ACTUALLY, WE ORDER ALL SERVICES FROM TWO
22 SUPPLIERS TO DATE, WORLDCOM AND LEVEL 3. THAT'S ALL

1 SERVICES REGARDLESS OF THE TYPE OF CIRCUIT. AND
2 THEY THEN GO OUT AND ACQUIRE THOSE FROM WHATEVER
3 SOURCE IS AVAILABLE.

4 IN THE CASE OF MANY CITIES, THERE ARE
5 ALTERNATE SUPPLIERS OF THESE DEDICATED LINKS VERSUS
6 THE INCUMBENT LEC OR WHAT'S COMMONLY REFERRED TO AS
7 THE BELL OPERATING COMPANY.

8 SO IN THE CASE OF, SAY, DALLAS, FOR
9 EXAMPLE, WE MIGHT HAVE THREE SERVICE PROVIDERS
10 PROVIDING THESE DEDICATED SERVICES TO US, BUT UNDER
11 WHAT THEY CALL OWNER OF RECORD OF MCI/WORLDCOM OR
12 WORLDCOM OR LEVEL 3.

13 Q. SO IT WOULD BE THE INTERNET SERVICE
14 PROVIDER'S RESPONSIBILITY TO WORK OUT AN ARRANGEMENT
15 WITH AMERITECH; IS THAT WHAT YOU'RE SAYING --

16 A. NO.

17 Q. -- FOR THAT T-1 LINE?

18 A. NO. NO, NOT AT ALL.

19 WE HAVE SIGNED AGREEMENTS FOR OUR
20 CONNECTIONS BETWEEN OUR WAPS AND OUR NIFS WITH LEVEL
21 3 AND WITH WORLDCOM INDEPENDENT -- ENTIRELY
22 INDEPENDENT OF ANY OTHER RELATIONSHIP TO WORLDCOM AS

1 A RESELLER. AND --

2 Q. SO DOES METRICOM LEASE T-1 LINES FROM
3 AMERITECH, WHETHER THEY DO IT DIRECTLY INDIRECTLY,
4 YES OR NO? IT'S A SIMPLE QUESTION.

5 ON YOUR DIAGRAM HERE, THERE'S TWO POINTS
6 WHERE YOU USE A T-1 CIRCUIT. I MEAN, IN ILLINOIS --

7 MR. MC CAFFREY: I THINK HE'S STATED THAT HE
8 CONTRACTS FOR THOSE LINES FROM EITHER TWO PEOPLE,
9 METRICOM OR FROM --

10 THE WITNESS: WORLDCOM.

11 MR. MC CAFFREY: -- WORLDCOM OR FROM LEVEL 3.

12 BY MR. ARIDAS:

13 Q. SO METRICOM GOES THROUGH AN ISP PROVIDER
14 WHO, IN TURN, LEASES THOSE FROM A BELL OPERATING
15 COMPANY; IS THAT THE WAY I UNDERSTOOD YOUR ANSWER?

16 A. WELL, ACTUALLY, THEY DON'T GO TO AN ISP.
17 THAT'S THE POINT I'M TRYING TO MAKE IS THEY GO TO A
18 SERVICE PROVIDER. IT COULD BE AN ISP, BUT NOT
19 NECESSARILY.

20 FOR EXAMPLE, AOL DOES NOT HAVE ANY MEANS
21 OR DESIRE TO ORDER CIRCUITS FOR US. IF THEY BECAME
22 ONE OF OUR RESELLERS WOULD BE A DIFFERENT SITUATION

1 THAT THEY ARE RESELLING THE SERVICE. IT HAS NOTHING
2 TO DO WITH LOCAL SERVICES.

3 WE ORDER ALL LOCAL SERVICES -- SORRY, WE
4 ORDER ALL SERVICES, REGARDLESS OF TYPE, FROM
5 WORLDCOM, AND INDEPENDENT OF THE RELATIONSHIP WITH
6 WORLDCOM FROM THE RESELLER'S SIDE, AND FROM LEVEL 3.
7 NOW, WHERE THEY GET THOSE IS UP TO THEM.

8 Q. WOULD YOU AGREE WITH ME THAT THERE ARE
9 INSTANCES WHERE A METRICOM USER WOULD USE METRICOM
10 SERVICE TO CONNECT TO A WEB SITE, AN END WEB SITE
11 THAT'S LOCATED WITHIN THE STATE OF ILLINOIS?

12 MR. MC CAFFREY: CAN YOU ASK THAT QUESTION
13 AGAIN? I DIDN'T UNDERSTAND IT.
14 BY MR. ARIDAS:

15 Q. WOULD YOU AGREE WITH ME THAT THERE ARE
16 INSTANCES WHERE A METRICOM USER WILL USE METRICOM'S
17 WIRELESS SERVICE TO CONNECT TO A WESTBOUND SITE
18 THAT'S LOCATED WITHIN THE STATE OF ILLINOIS?

19 FOR EXAMPLE, I'M A METRICOM USER. I HAVE
20 MY LAPTOP, I HAVE MY METRICOM WIRELESS MODEM
21 ATTACHED TO IT AND I WANT TO CONNECT TO THE CHICAGO
22 PUBLIC LIBRARY, I CAN DO THAT, CORRECT?

1 A. YES.

2 Q. OKAY.

3 A. JUST TO CLARIFY, THOUGH, THIS IS A
4 SUBSCRIBER OF AN ISP OR A RESELLER. IT'S NOT A
5 METRICOM SUBSCRIBER. IT'S NOT OUR CUSTOMER. OUR
6 CUSTOMER IS THE ISP.

7 Q. I UNDERSTAND.

8 JUDGE MORAN: IN THAT INSTANCE, ARE YOU SAYING
9 THAT MR. ARIDAS WOULD NOT BE THE METRICOM USER?

10 THE WITNESS: HE WOULD BE A SUBSCRIBER TO --

11 JUDGE MORAN: HE WOULD BE THE USER OF -- LET ME
12 MAYBE MAKE MYSELF CLEAR.

13 HE WOULD BE THE USER OF THE INTERNET
14 SERVICE PROVIDER WHICH, IN TURN, HAS SUPPLIED
15 METRICOM'S TECHNOLOGY.

16 THE WITNESS: THIS IS THE INTERNET WORLD AND
17 IT'S ALL OVER AND THIS IS WHY IT'S SO DIFFICULT.

18 THE USER OR SUBSCRIBER IS A USER OF THE
19 ENTIRE SERVICE TRAIN, IF YOU WILL. THEY ARE A
20 CUSTOMER OF THE ISP. THEY USE US, THE METRICOM
21 NETWORK, AS WELL AS THE OTHER PARTS OF THE NETWORK
22 THAT'S ALL NECESSARY TO TERMINATE ANY TYPE OF IP

1 SESSION THAT WOULD GO ON ON THE INTERNET.

2 SO, YES, THEY USE THE INTERNET -- THEY
3 USE OUR SERVICE AS WELL AS SEVERAL OTHER PARTS OF
4 SERVICES IN ORDER TO TERMINATE ANYTHING THAT THEY
5 DO, INCLUDING GOING TO THE ILLINOIS LIBRARY. AND
6 YOU REALLY DON'T KNOW WHERE ANY OF THAT TRAFFIC IS
7 GOING TO GO AND HOW IT'S GOING TO GET THERE.

8 JUDGE MORAN: BUT LET ME CLARIFY. IS MR. ARIDAS
9 IN THAT SITUATION THE METRICOM USER?

10 THE WITNESS: HE IS A USER OF THE METRICOM
11 SYSTEM. THE ONLY REASON I'M STUMBLING ON IT IS HE'S
12 A USER OF THE PIECE OF THE SYSTEMS THAT WE PROVIDE
13 VERSUS --

14 JUDGE MORAN: THAT'S WHY I THINK WE'RE ALL
15 STUMBLING BECAUSE WE NEED TO GET THAT VERY CLEAR.

16 THAT -- AS I'M INTERPRETING ALL THIS IS
17 THAT MR. ARIDAS WOULD NOT BE THE METRICOM USER
18 BECAUSE THE REAL USER OF METRICOM WOULD BE THE ISP
19 PROVIDER; AM I RIGHT IN THAT?

20 THE WITNESS: THAT'S THE WAY I WOULD LOOK AT IT,
21 YES.

22 JUDGE MORAN: OKAY. SO WHILE MR. ARIDAS WOULD

1 BE USING THE TECHNOLOGY PROVIDED BY METRICOM, HE
2 WOULD NOT BE THE ACTUAL USER OF METRICOM'S SERVICE?
3 JUST TRYING TO GET THIS STRAIGHT, BUT I MYSELF MAY
4 BE FUMBLING WITH THESE CONCEPTS.

5 BY MR. ARIDAS:

6 Q. OKAY. LET'S EXPAND ON THAT A LITTLE
7 FURTHER.

8 JUDGE MORAN: OKAY. LET'S.

9 BY MR. ARIDAS:

10 Q. IS THIS AN ACCURATE STATEMENT: I'M A
11 METRI- -- I USE -- I HAVE A METRICOM WIRELESS MODEM
12 ATTACHED TO MY LAPTOP. I'M AN ISP CUSTOMER USING A
13 SERVICE THAT METRICOM HAS A PART IN PROVIDING; IS
14 THAT A FAIR STATEMENT?

15 A. THAT'S A FAIR STATEMENT.

16 Q. OKAY.

17 JUDGE MORAN: OKAY. THEN THAT'S -- I GUESS
18 WE'RE ON THE SAME PAGE.

19 THANK YOU.

20 BY MR. ARIDAS:

21 Q. THAT TIES INTO MY NEXT LINE OF QUESTIONS
22 REGARDING -- ON PAGE 4 OF YOUR TESTIMONY, YOU STATE

1 THAT METRICOM BELIEVES THAT THE NEW BUSINESS PLAN
2 RESULTS IN METRICOM NOT OFFERING SERVICES FOR PUBLIC
3 USE.

4 MR. GUERRA ASKED YOU A QUESTION EARLIER
5 ABOUT THAT PUBLIC USE. I'M NOT SURE I UNDERSTOOD
6 YOUR ANSWER.

7 DOES METRICOM PROVIDE SERVICES FOR PUBLIC
8 USE? WOULD YOU BE PROVIDING SERVICES FOR PUBLIC USE
9 IN ILLINOIS, IN CHICAGO, YES OR NO?

10 JUDGE MORAN: MR. ARIDAS, MAYBE YOU WANT TO
11 DEFINE PUBLIC USE, BECAUSE I MYSELF AM NOT SURE HOW
12 YOU'RE USING THAT TERM.

13 BY MR. ARIDAS :

14 Q. PUBLIC USE WOULD BE, I'M AN ILLINOIS
15 TELECOMMUNICATIONS USER AND I'M INTERESTED IN
16 METRICOM'S SERVICE. ARE THEY PROVIDING ME --

17 MR. GUERRA: I HAVE AN OBJECTION BECAUSE THE
18 "FOR PUBLIC USE" IS TERMINOLOGY THAT'S IN THE ACT.
19 AND IF HE'S ASKING FOR PUBLIC USE, I MEAN YOU'RE
20 ASKING FOR A LEGAL CONCLUSION.

21 JUDGE MORAN: WELL, THAT'S WHAT I'M WONDERING.

22 IS PUBLIC USE A TERM OF ART IN THIS

1 INSTANCE --

2 MR. GUERRA: YOU CAN ASK HIM A QUESTION OF HOW
3 THAT USE -- AND HOW IT'S USED. BUT WHEN YOU'RE
4 ASKING -- WHEN YOU ASK HIM EXACTLY HOW THAT TERM IS
5 DEFINED --

6 MR. ARIDAS: I CAN ASK HIM HOW THE TERM IS
7 DEFINED. FORGET WHAT THE --

8 JUDGE MORAN: NO, I'M SORRY. I'M ASKING HOW
9 THAT TERM IS DEFINED.

10 AS I UNDERSTAND PUBLIC USE, IT'S A TERM
11 OF ART NOT JUST USED BY THE PUBLIC. I THINK THERE'S
12 SOMETHING MORE THERE. AND I'M WONDERING IF -- HOW
13 YOU ARE USING THAT IN YOUR QUESTION.

14 BY MR. ARIDAS:

15 Q. OKAY. WOULD IT BE FAIR TO SAY THAT YOU'RE
16 ENTERING THE CHICAGO MARKET. YOU, AS A COMPANY, ARE
17 HOPING THAT PEOPLE THAT LIVE IN THIS AREA, MYSELF
18 AND EVERYBODY IN THIS ROOM, WILL FIND METRICOM'S
19 SERVICE OFFERING UNIQUE, EXCITING, DIFFERENT, AND WE
20 WANT -- WE'D WANT IT. WE WOULD WANT TO USE IT. I
21 MEAN, IS THAT FAIR?

22 A. AGAIN -- WELL, AGAIN, IT HAS TO BE COMBINED

1 WITH ALL OF THE OTHER OFFERINGS OF THE ISP THAT'S
2 RESELLING THE SERVICE. WITHOUT THEIR OFFERINGS,
3 OURS IS ESSENTIALLY USELESS.

4 Q. I UNDERSTAND THAT.

5 BUT WHAT IF -- LET'S SAY NINE OUT OF TEN
6 PEOPLE NORMALLY FIND THEIR SERVICE BORING. THEY'RE
7 NOT INTERESTED IN IT. WHAT INCENTIVE WOULD AN ISP
8 WANT TO USE YOUR SERVICE FOR, IF THEY KNOW THAT
9 THEY'RE NOT GOING TO -- PEOPLE AREN'T GOING TO --

10 A. THERE WOULD BE NO INCENTIVE.

11 Q. SO WHETHER YOU'RE DOING IT DIRECTLY OR
12 INDIRECTLY, YOU'RE PROVIDING -- YOU'RE HOPING THAT
13 THE PUBLIC FINDS YOUR SERVICE OFFERING INTERESTING
14 AND THAT THEY'LL USE IT?

15 A. ACTUALLY, THE MARKET SEGMENT IS MUCH MORE
16 NARROW THAN THE PUBLIC. IT IS SPECIFICALLY TOWARDS
17 THE MOBILE PROFESSIONAL --

18 Q. OKAY.

19 A. -- WHO LIKES TO BE DISCONNECTED FROM ANY
20 OTHER TYPE OF CONNECTION AND BE ON A WIRELESS
21 CAPABILITY.

22 SO IT'S A VERY NARROW MARK SEGMENT THAT

1 WE ARE PROPOSING THAT OUR RESELLERS APPROACH, AND
2 THEY, APPARENTLY, FIND IT VERY EXCITING BECAUSE
3 THEY'RE MOVING IN THAT DIRECTION.

4 Q. IS NOT THAT MOBILE PROFESSIONAL A MEMBER OF
5 THE PUBLIC?

6 A. MAYBE. MAYBE NOT. COULD BE A GOVERNMENT
7 OFFICIAL.

8 SEE, THIS IS WHY THE DEFINITION OF
9 WHAT -- THE LEGAL DEFINITION OF WHAT PUBLIC MEANS IS
10 PROBABLY IMPORTANT.

11 FOR EXAMPLE, YOU CAN GO TO A PAY PHONE AS
12 A MEMBER OF THE PUBLIC TO MAKE A PHONE CALL, BUT YOU
13 CAN'T PICK A RICOCHET MODEM AND JUST DO WHAT YOU
14 WANT TO DO. YOU HAVE TO SUBSCRIBE TO THE SERVICE
15 THROUGH THE ISP.

16 Q. I'M NOT SURE I FOLLOW THAT LAST EXAMPLE.

17 A. THAT'S WHERE THE TERM OF PUBLIC USE IS, IN
18 MY MIND, IMPORTANT.

19 Q. OKAY. SO ARE YOU SAYING THAT THIS
20 COMMISSION SHOULD TAKE INTO ACCOUNT YOUR COMPANY'S
21 MARKETING PLANS WHEN LOOKING AT THIS SERVICE AND
22 TRYING TO DETERMINE WHAT KIND OF ANIMAL IT IS

1 EXACTLY?

2 A. NO, I CAN'T DETERMINE THAT FOR YOU. THAT'S
3 SOMETHING YOU'D HAVE TO DETERMINE.

4 I'M JUST TRYING TO EXPLAIN AND ANSWER THE
5 QUESTIONS OF WHAT THE DIFFERENCES BETWEEN THE MARKET
6 PLAN OF RICOCHET1 AND RICOCHET2 IS.

7 Q. WOULD YOU LIKE FOR THE COMMISSION TO LOOK AT
8 YOUR MARKETING PLANS WHEN EVALUATING YOUR SERVICE?

9 A. I CAN'T ANSWER THAT. I'D HAVE TO TAKE THAT
10 TO THE CEO OF THE COMPANY AND ASK THE STAFF HERE.

11 Q. BUT THE REASON I ASK THAT IS IN THE
12 TESTIMONY AT VARIOUS PORTIONS, IT DISCUSSES YOUR
13 MARKETING PLANS AND THE FACT THAT YOU'RE MARKETING
14 INTO ISPS AS OPPOSED TO MEMBERS OF THE PUBLIC.

15 SO I WOULD THINK IT'D BE REASONABLE TO
16 CONCLUDE THAT YOU WOULD LIKE THE COMMISSION TO LOOK
17 AT THAT AS A PART OF THE EVIDENCE IN THIS RECORD IN
18 TRYING TO CLASSIFY YOUR SERVICE.

19 A. I'D DEFER UNTIL I HAD A CHANCE TO DISCUSS IT
20 WITH OTHERS.

21 MR. ARIDAS: OKAY.

22 JUDGE MORAN: I'VE INTERRUPTED. I'M SORRY.

1 YOU CAN PROCEED.

2 MR. ARIDAS: OKAY. THANK YOU.

3 JUDGE MORAN: I 'M SORRY.

4 BY MR. ARIDAS:

5 Q. MR. SCHELLMAN, REGARDING THE CHANGES IN

6 METRICOM'S ORIGINAL RICOCHET NETWORK WITH RICOCHET2,

7 DID METRICOM MAKE THE SAME CHANGES IN THE OTHER

8 METROPOLITAN AREAS THAT WERE PROVIDING THE SERVICE,

9 SAN FRANCISCO, WASHINGTON, D.C., AND SEATTLE AS YOU

10 DID IN ILLINOIS REGARDING THE DIRECT LINKING TO

11 CORPORATE AREA LANS?

12 A. ABSOLUTELY. THOSE ARE TAKING PLACE AS WE

13 SPEAK.

14 Q. ON A NATIONAL -- IT'S JUST NOT --

15 A. ON A NATIONAL BASIS, THAT'S TRUE.

16 Q. CAN YOU PLEASE TURN TO PAGE 10 OF YOUR

17 TESTIMONY.

18 ARE YOU THERE? PAGE 10.

19 JUDGE MORAN: 10?

20 MR. ARIDAS: HM-HMM. JUST ONE ANSWER AT THE

21 TOP.

22 JUDGE MORAN: OKAY.

1 BY MR. ARIDAS:

2 Q. YOU'RE DISCUSSING THE FCC DE MINIMIS RULE
3 THERE, AND YOU STATE THAT YOU BELIEVE SUCH CALLS FAR
4 EXCEED 10 PERCENT OF ALL METRICOM COMMUNICATIONS; DO
5 YOU SEE THAT?

6 A. YES.

7 Q. AND BY SUCH CALLS, I UNDERSTAND YOU TO MEAN
8 ACCESS TO WEB SITES THAT FALL OUTSIDE THE STATE?

9 A. YES.

10 Q. DO YOU PROVIDE ANY STATISTICAL EVIDENCE TO
11 SUBSTANTIATE YOUR ASSERTION ANYWHERE IN YOUR
12 PETITION AND/OR YOUR TESTIMONY?

13 A. NO, I DO NOT.

14 Q. OKAY. AND, FINALLY, I'D JUST LIKE TO ASK
15 YOU SOME QUESTIONS ABOUT REGARDING THE FCC
16 CERTIFICATIONS AND LICENSES THAT COUNSEL SUBMITTED
17 INTO THE RECORD EARLIER.

18 TO THE BEST OF YOUR KNOWLEDGE, HAS
19 METRICOM EVER RECEIVED A CMRS, COMMERCIAL MOBILE
20 RADIO SERVICE LICENSE, FROM THE FCC?

21 A. AS I HAD MENTIONED IN THE WCS LICENSE HERE,
22 IT HAS TWO LINE ITEMS WITH IT. ONE IS A COMMERCIAL

1 MOBILE RADIO SERVICES, AND UNDERNEATH IT IS -- THIS
2 IS -- GOT AN EXHIBIT NUMBER ON IT? IT'S EXHIBIT
3 NO. 3.

4 Q. NO. 3?

5 A. AND WIRELESS COMMUNICATIONS SERVICES IS THE
6 SECOND LINE ITEM ON IT. SO IT HAS THE REFERENCE OF
7 CMRS, BUT IT ALSO HAS THE REFERENCE WCS.

8 IF YOU LOOK AT THE TOP OF THE PAGE ON
9 EXHIBIT 3 --

10 Q. OKAY.

11 A. -- UNDERNEATH THE HEADING.

12 Q. UH-HUH. BUT DOES THIS DOCUMENT CONSTITUTE A
13 CMRS LICENSE?

14 A. YES, IT DOES.

15 Q. IT DOES?

16 A. AND IT ALSO CONSTITUTES A WIRELESS
17 COMMUNICATIONS SERVICES LICENSE.

18 Q. I AM A LITTLE CONFUSED.

19 ISN'T IT TRUE THAT THE FCC HAS
20 SPECIFICALLY COMMENTED ON METRICOM'S SERVICE AND
21 SAID THAT PART 15 DEVICES WHICH YOU EMPLOY ARE NOT
22 CMRS?

1 A. THAT'S CORRECT. THIS IS NOT A PART 15
2 LICENSE. THIS IS A WCS LICENSE --
3 Q. SO YOUR TESTIMONY --
4 A. -- PART 27. I'M SORRY.
5 Q. OKAY. RIGHT. BUT IS IT YOUR TESTIMONY THAT
6 METRICOM HAS BEEN ISSUED A COMMERCIAL MOBILE RADIO
7 SERVICE LICENSE FROM THE FCC?
8 A. IT HAS BEEN ISSUED A WIRELESS COMMUNICATIONS
9 SERVICE LICENSE WHICH ALSO HAS THE COMPONENT OF A
10 CMRS LICENSE.
11 Q. BUT NOT A CMRS LICENSE EXCLUSIVELY?
12 A. IT'S EITHER ONE.
13 Q. TO THE BEST OF YOUR KNOWLEDGE,
14 MR. SCHELLMAN, HAS METRICOM EVER FILED A CELLULAR
15 RADIO APPLICATION FOR A CERTIFICATE OF SERVICE
16 AUTHORITY WITH THIS COMMISSION?
17 A. NOT THAT I KNOW OF.
18 Q. OKAY. CAN YOU EXPLAIN TO ME THE DIFFERENCE
19 BETWEEN CMRS AND YOUR SERVICE?
20 EARLIER, I BELIEVE YOU MENTIONED
21 SOMETHING ABOUT YOUR SERVICE IS ONE -HOP
22 FREQUENCY -- TWO-HOP FREQUENCY AND CMRS WOULD BE

1 ONE-HOP FREQUENCY.

2 WHAT IS THE DIFFERENCE?

3 A. ACTUALLY, I DIDN'T REFER TO IT AS A
4 FREQUENCY HOP OR ANYTHING OF THAT NATURE. IT'S THE
5 ARCHITECTURE OF THE CELLULAR NETWORK VERSUS THE
6 ARCHITECTURE OF THE RICOCHET NETWORK.

7 WITH THE POLE-TOP RADIO, WE USE A TWO-HOP
8 ARCHITECTURE ALLOWING FROM -- YOU CALLED IT THE CELL
9 EQUIVALENT. IT'S NOT EXACTLY THE CELL EQUIVALENT --
10 WAP THAT TALKS TO THE POLE-TOP RADIO WHICH THEN
11 COMMUNICATES WITH THE SUBSCRIBER WHEREAS THE
12 CELLULAR INDUSTRY, ITS CELL SITES COMMUNICATE
13 DIRECTLY WITH THE SUBSCRIBER.

14 Q. OKAY. THANK YOU.

15 HAVE THERE BEEN ANY CHANGES TO METRICOM'S
16 BUSINESS PLANS AND/OR TECHNICAL ASPECTS OF THEIR
17 NETWORK OTHER THAN THOSE OUTLINED IN YOUR PETITION
18 FOR DECLARATORY RULING THAT THE COMMISSION SHOULD
19 KNOW ABOUT?

20 A. NO.

21 Q. EARLIER, YOUR COUNSEL ASKED YOU WHETHER YOUR
22 FINANCIAL CONDITION HAS CHANGED SINCE THE FILING OF

1 THE PETITION FOR DECLARATORY RULING AND YOU SAID
2 THAT IT HAS IMPROVED SUBSTANTIALLY.

3 WOULD YOU BE WILLING TO SUPPLEMENT THE
4 RECORD OR AUGMENT THE RECORD, YOU KNOW, WITH
5 EVIDENCE OF THAT?

6 A. WE COULD, AND IT'S PUBLIC RECORD AS WELL.

7 MR. ARIDAS: OKAY. THAT'S ALL THE QUESTIONS I
8 HAVE.

9 THANK YOU VERY MUCH.

10 THE WITNESS: THANK YOU.

11 MR. MC CAFFREY: COULD WE HAVE A MOMENT ON --
12 BEFORE WE DO ANY REDIRECT?

13 JUDGE MORAN: SURE -- YOU KNOW WHAT --

14 MR. MC CAFFREY: I'M SORRY. THE HEARING
15 EXAMINER.

16 JUDGE MORAN: OKAY.

17 EXAMINATION

18 BY

19 JUDGE MORAN:

20 Q. BACK TO THIS WHOLE QUESTION ABOUT PUBLIC
21 USE.

22 NOT EVERY INTERNET SERVICE PROVIDER

1 OPERATING AT THIS POINT IN TIME OFFERS CAPABILITIES
2 EQUAL TO WHAT WOULD BE AVAILABLE WITH YOUR RICOCHET2
3 SYSTEM, RIGHT?

4 A. THAT IS CORRECT.

5 Q. BUT A CUSTOMER WOULD STILL HAVE THE CHOICE
6 BETWEEN A NUMBER OF DIFFERENT INTERNET SERVICE
7 PROVIDERS?

8 A. THE INTENT IS FOR THAT TO HAPPEN. RIGHT
9 NOW, THERE ARE TWO.

10 Q. WHAT DO YOU MEAN TWO?

11 A. WE HAVE CURRENTLY SIGNED AS AUTHORIZED
12 RESELLERS OF THE RICOCHET SERVICE WHO ARE ALSO
13 INTERNET SERVICE PROVIDERS WORLDCOM AND JUNO.

14 Q. WHO ARE TWO INDEPENDENT --

15 A. TOTALLY INDEPENDENT.

16 Q. -- TWO INDEPENDENT INTERNET SERVICE
17 PROVIDERS, BOTH OF THEM AVAILABLE TO ILLINOIS
18 CUSTOMERS?

19 A. THAT'S CORRECT.

20 Q. BUT IN ADDITION -- OKAY. SO -- IN ADDITION
21 TO THOSE TWO ENTITIES WHICH WOULD, IN FACT, HAVE
22 METRICOM'S RICOCHET2 SYSTEM BUILT IN WITHIN THEIR

1 PACKAGES; AM I RIGHT?

2 A. THAT'S CORRECT.

3 Q. OKAY. THEN THERE WOULD BE A NUMBER OF OTHER
4 INTERNET SERVICE PROVIDERS THAT EXIST TODAY AND
5 PROBABLY WOULD EXIST ON -- IN THE FUTURE THAT ALSO
6 PROVIDE SERVICE TO END USERS, ALTHOUGH NOT WITH THIS
7 PARTICULAR CAPABILITY?

8 A. YOU'RE ASKING IF WE'LL HAVE COMPETITION FROM
9 OUR CAPABILITY? AND THE ANSWER IS PROBABLY; IS THAT
10 YOUR QUESTION?

11 Q. NO, I GUESS I'M JUST TRYING TO SAY THAT
12 THERE ARE A LOT OF INTERNET SERVICE PROVIDERS OUT
13 THERE TODAY?

14 A. THERE ARE MANY, MANY INTERNET SERVICE
15 PROVIDERS.

16 Q. MANY. AND IF YOUR VISION FOLLOWS THROUGH,
17 THERE WILL BE RICOCHET ENHANCEMENTS, SO TO SPEAK, ON
18 INTERNET SERVICE PROVIDERS WITH THE TWO OF THEM,
19 RIGHT?

20 A. I'M SORRY. I DON'T UNDERSTAND.

21 Q. OKAY. THE RICOCHET2, IN MY UNDERSTANDING,
22 IS AN ENHANCEMENT TO AN INTERNET SERVICE

1 PROVIDER'S --

2 A. CURRENTLY OFFERED, YES.

3 Q. -- CURRENT OFFERING?

4 A. YES, MA'AM.

5 Q. AND THAT WOULD BE AVAILABLE TO TWO DIFFERENT

6 AND PROBABLY COMPETITIVE INTERNET SERVICE PROVIDERS?

7 A. THAT'S CORRECT. TODAY, THAT'S CORRECT.

8 Q. BUT THE PUBLIC CAN STILL CHOOSE NOT TO GO

9 WITH THE RICOCHET2 ENHANCED INTERNET SERVICE, BUT

10 CAN ALSO GO WITH THE REGULAR INTERNET SERVICE

11 PROVIDER?

12 A. THAT'S CORRECT.

13 Q. THAT'S THE POINT I GUESS I'M TRYING TO MAKE.

14 SO THIS WOULD ONLY ENHANCE THE NUMBER OF

15 OFFERINGS THAT THE PUBLIC CAN MAKE USE OF IN

16 GETTING?

17 A. THAT'S CORRECT. IT GIVES THEM ANOTHER TOOL

18 TO SELL MORE.

19 Q. OKAY. IT WILL NOT -- I GUESS I'M TRYING TO

20 GET TO THIS POINT -- RICOCHET2 WOULD BE AN ENHANCED

21 SERVICE FOR SOMEONE LOOKING TO GET ON THE INTERNET?

22 A. THAT'S CORRECT.

1 Q. AND WITHOUT PICKING OR SELECTING A SERVICE
2 PROVIDER THAT OFFERS RICOCHET2, ANY ILLINOIS
3 CUSTOMER CAN SELECT ONE OF THE OTHER INTERNET
4 SERVICE PROVIDERS?

5 A. YES.

6 Q. BUT JUST NOT GET THAT TYPE OF SERVICE --

7 A. THAT'S CORRECT.

8 Q. -- IN THEIR --

9 A. THAT'S CORRECT.

10 Q. -- IN THEIR CONTRACT?

11 A. IN THEIR PACKAGE, RIGHT.

12 JUDGE MORAN: FINE. THANK YOU.

13 CONFUSED MYSELF SUFFICIENTLY.

14 MR. GUERRA: CAN WE HAVE A FEW MINUTES?

15 JUDGE MORAN: SURE. WHY DON'T WE TAKE FIVE

16 MINUTES.

17 (RECESS TAKEN.)

18 MR. MC CAFFREY: I HAVE A COUPLE OF SHORT

19 QUESTIONS FOR THE WITNESS.

20 JUDGE MORAN: THAT'S FINE.

21

22

1 REDIRECT EXAMINATION

2 BY

3 MR. MC CAFFREY:

4 Q. MR. ARIDAS GAVE YOU AN EXAMPLE OF A CALL TO
5 A PUBLIC LIBRARY.

6 DOES THE COMMUNICATION TO THE PUBLIC
7 LIBRARY REFERRED TO IN MR. ARIDAS'S EXAMPLE PASS
8 THROUGH THE PUBLICLY SWITCHED NETWORK?

9 A. NO, NOT AT ALL.

10 Q. DOES THE COMMUNICATION REFERRED TO PASS
11 THROUGH THE INTERNET?

12 A. YES.

13 Q. MR. ARIDAS ASKED A QUESTION OF WHETHER
14 METRICOM HAS APPLIED FOR A CELLULAR RADIO -- HAS
15 FILED A CELLULAR RADIO APPLICATION IN ILLINOIS; IS
16 THAT CORRECT?

17 A. YES, HE DID.

18 Q. YOU TESTIFIED THAT METRICOM SERVICES ARE
19 SIMILAR TO CELLULAR SERVICE; IS THAT CORRECT?

20 A. I DID.

21 Q. ARE YOU AWARE THAT METRICOM HAS APPLIED
22 FOR -- OR FILED A PETITION REQUESTING A 401 LICENSE

1 OR CERTIFICATE HERE IN ILLINOIS?

2 A. I AM.

3 Q. ARE YOU AWARE THAT MOST CELLULAR PROVIDERS

4 HAVE RECEIVED A 401 CERTIFICATE IN ILLINOIS?

5 A. YES.

6 BY MR. GUERRA:

7 Q. MR. SCHELLMAN, REGARDING THE DISCUSSION

8 REGARDING LEASED LINES AND PRIVATE LINE SERVICE, DO

9 THESE LINES USE THE PUBLICLY SWITCHED NETWORK?

10 A. NO, THEY DO NOT.

11 Q. WITH RESPECT TO SIGNING ON THE INTERNET

12 TODAY, DOES A PERSON SIGNING ON HAVE CHOICES WITH

13 RESPECT TO ISPS AND THE METHOD OF CONNECTING TO THE

14 INTERNET?

15 A. YES, THEY DO.

16 Q. CAN YOU DESCRIBE SOME OF THOSE CHOICES?

17 A. YES, I CAN. THEY WOULD INCLUDE STANDARD

18 DIAL UP, A USE OF A CELL PHONE AND DIAL UP, CABLE

19 MODEM, DSL CONNECTION AND THE NEW RICOCHET2.

20 Q. AND JUST TO CLARIFY, WHO DOES THE END USER

21 CONTRACT WITH, IS IT METRICOM?

22 A. I'M SORRY.

1 Q. WHO DOES THE END USER CONTRACT WITH WHEN
2 THEY WANT TO USE THIS SERVICE?

3 A. IT IS THE AUTHORIZED RESELLER OF METRICOM'S
4 SERVICES, WHICH WOULD BE THE ISPS OR OTHER
5 TELECOMMUNICATION-TYPE ENTITIES.

6 Q. SO YOU DO NOT ENTER INTO CONTRACTS WITH END
7 USERS?

8 A. NO, WE DO NOT.

9 Q. AND WITH RESPECT TO CUSTOMER SERVICE, DO YOU
10 DEAL DIRECTLY WITH CUSTOMERS?

11 A. NO, WE DO NOT.

12 MR. GUERRA: THAT'S ALL WE HAVE.

13 JUDGE MORAN: OKAY.

14 MR. ARIDAS: I HAVE ONE QUESTION.

15 JUDGE MORAN: SURE.

16 RECROSS-EXAMINATION

17 BY

18 MR. ARIDAS:

19 Q. MR. MCCAFFREY ASKED YOU, MR. SCHELLMAN,
20 WHETHER THE COMMUNICATIONS PASS THROUGH THE INTERNET
21 AND YOU SAID, YES?

22 A. YES.

1 Q. WE CAN -- I MEAN, WE CAN -- WOULD IT BE FAIR
2 TO BREAK DOWN THE INTERNET, DO YOU MEAN INTERNET
3 SERVICE PROVIDER BY INTERNET?

4 A. ACTUALLY, BOTH, IF YOU WILL.

5 Q. CAN YOU EXPLAIN THAT?

6 A. WE CONNECT TO THE INTERNET SERVICE PROVIDER.
7 SO IT OBVIOUSLY HAS TO PASS THROUGH THEM.

8 THE LIBRARY IN YOUR EXAMPLE CONNECTS TO
9 THE INTERNET BACKBONE. THE INTERNET SERVICE
10 PROVIDER CONNECTS TO THE INTERNET BACKBONE. SO THIS
11 NEBULOUS THING WE ALL CALL THE INTERNET BACKBONE IS
12 WHAT THIS HAS TO DO WITH THE -- THE TRANSMISSION HAS
13 TO PASS THROUGH.

14 MR. ARIDAS: OKAY. THANK YOU.

15 FURTHER EXAMINATION

16 BY

17 JUDGE MORAN:

18 Q. AND IF I CAN ASK ONE QUESTION. WHEN YOU
19 CONNECT -- WHEN A USER CONNECTS TO A SITE LIKE THE
20 CHICAGO PUBLIC LIBRARY, THERE ARE ALSO LINKS TO A
21 VARIETY OF OTHER SITES, ARE THERE NOT?

22 A. THROUGH THE INTERNET BACKBONE, THERE ARE

1 MILLIONS OF SITES, YES.

2 Q. WELL, WHEN THEY CONNECT TO THE CHICAGO
3 PUBLIC LIBRARY SITE, THERE ARE OR WOULD BE,
4 NORMALLY, LINKS TO OTHER SITES THAT THEY CAN THEN GO
5 TO FROM THE LIBRARY SITE?

6 A. IT DEPENDS ON HOW THE CITY HAS STRUCTURED
7 THE CONNECTIONS AND THE INFRASTRUCTURE IN THE
8 LIBRARY.

9 GENERALLY, I DOUBT SERIOUSLY YOU'D WANT
10 TO PAY FOR THE TRANSMISSION COSTS OF ALLOWING A USER
11 WHO'S IN THE LIBRARY SERVER -- THE PUBLIC LIBRARY
12 SERVER TO LEAVE THAT AND ACCESS ANOTHER SET OF
13 TRANSMISSION FACILITIES AND THEN GO OUT ON THE
14 INTERNET AGAIN. THEY WOULD -- THEY WOULD NOT DO
15 THAT. IT'S JUST NOT ECONOMICALLY WISE.

16 IF THEY WANTED TO GO TO ANOTHER SITE, IT
17 WOULD BE JUST LIKE OPENING UP ANOTHER BROWSER ON
18 THEIR COMPUTER AND JUST ASKING FOR THAT OTHER SITE.
19 IT WOULD NOT TOUCH THE LIBRARY'S NETWORK AT ALL.

20 DID I LOSE YOU?

21 JUDGE MORAN: YEAH. THAT'S OKAY.

22 WE'LL LET IT GO.

1 MR. MC CAFFREY: ANYTHING FURTHER?

2 JUDGE MORAN: I HAVE NOTHING.

3 MR. ARIDAS: NOTHING FURTHER FROM STAFF.

4 JUDGE MORAN: NOTHING FURTHER FROM STAFF.

5 MR. MC CAFFREY: WE HAVE NOTHING FURTHER.

6 JUDGE MORAN: THANK YOU VERY MUCH.

7 THE WITNESS: YES, MA'AM.

8 JUDGE MORAN: YOU'RE EXCUSED.

9 MR. GUERRA: CAN WE GO OFF THE RECORD AND

10 DISCUSS SCHEDULING?

11 JUDGE MORAN: SURE.

12 (RECESS TAKEN.)

13 JUDGE MORAN: IT HAS BEEN AGREED THAT METRICOM

14 WILL BE FILING A LATE-FILED EXHIBIT 8 WHICH RESPONDS

15 TO THE FINANCIAL UPDATE THAT STAFF HAS REQUESTED.

16 ALSO, WE ARE ASKING THAT METRICOM

17 LATE-FILE EXHIBIT NO. 9, WHICH WILL BE A PHOTOGRAPH

18 OF WHAT HAS BEEN REFERRED TO IN THIS PROCEEDING AS

19 PHYSICAL EXHIBIT X AND Y, AND METRICOM AGREES TO

20 THAT?

21 MR. GUERRA: YES, WE DO.

22 JUDGE MORAN: THANK YOU.

1 MR. MC CAFFREY: CAN WE MAKE THAT EXHIBIT 9 WILL
2 BE X AND EXHIBIT 10 WILL BE Y?

3 JUDGE MORAN: FINE. IF YOU WANT TO SEPARATE
4 THEM, THAT'LL WORK, TOO.

5 OKAY. NOW, WE CAN GO OFF THE RECORD AND
6 DISCUSS ANY SCHEDULING.

7 (DISCUSSION OFF THE RECORD.)

8 JUDGE MORAN: OKAY. WE'RE BACK ON THE RECORD.

9 MR. MC CAFFREY: MADAM EXAMINER, A COUPLE OF
10 PROCEDURAL ISSUES.

11 ONE, METRICOM WILL BE IN A POSITION TO
12 SUBMIT ITS LATE-FILED EXHIBITS BY TUESDAY. WE'D ASK
13 THAT THE HEARING BE CONTINUED TO TUESDAY FOR
14 PURPOSES OF LATE-FILED EXHIBITS.

15 JUDGE MORAN: I DON'T THINK WE NEED TO DO THAT.
16 THOSE EXHIBITS ARE NOT OBJECTED TO. THEY'RE, IN
17 FACT, AGREED TO. THEY WERE -- THEY WILL BE
18 CONSIDERED ADMITTED AS OF TODAY'S DATE. THEY WILL
19 JUST BE LATE-FILED.

20 MR. MC CAFFREY: OKAY. VERY GOOD.

21 WE ALSO WOULD ASK LEAVE TO AMEND THE
22 APPLICATION FOR 401 TO CONFORM WITH THE PROOFS

1 SUBMITTED HERE TODAY.

2 JUDGE MORAN: THAT WILL ALSO BE ALLOWED.

3 MR. MC CAFFREY: THANK YOU.

4 WE ALSO HAVE AGREED, I BELIEVE, ON A

5 BRIEFING SCHEDULE.

6 WE ARE GOING TO WAIVE REPLY BRIEFS AND

7 AGREE ON JOINT BRIEF -- OR BRIEFS BEING FILED ON THE

8 30TH.

9 JUDGE MORAN: ON THE 30TH OF JUNE?

10 MR. MC CAFFREY: YES.

11 JUDGE MORAN: AND THOSE WILL BE SIMULTANEOUS

12 BRIEFS BY --

13 MR. MC CAFFREY: THEY'LL BE SIMULTANEOUS BRIEFS.

14 JUDGE MORAN: OKAY. WILL THOSE BE FILED VIA

15 E-MAIL OR --

16 MR. MC CAFFREY: WE WILL HAND-DELIVER AND

17 E-MAIL.

18 MR. ARIDAS: THAT'S FINE.

19 JUDGE MORAN: OKAY. OKAY. AND THERE WILL BE

20 ONLY THIS ONE ROUND OF BRIEFS, I UNDERSTAND?

21 MR. MC CAFFREY: CORRECT.

22 IF THE EXAMINER WOULD -- WE WOULD BE

1 PLEASED TO SUBMIT A PROPOSED DRAFT ORDER WITH OUR
2 BRIEF OR ALTERNATIVE DRAFT ORDERS, I SHOULD SAY,
3 WITH OUR BRIEF.

4 JUDGE MORAN: THAT WILL BE FINE.

5 MR. ARIDAS: NO OBJECTION.

6 JUDGE MORAN: IF STAFF WANTS TO DO THE SAME,
7 YOU'RE FREE TO DO SO.

8 MR. ARIDAS: OKAY.

9 JUDGE MORAN: OKAY. I THINK EVERYTHING IS
10 ENTERED INTO THE RECORD THAT WE NEED TO HAVE ENTERED
11 INTO THE RECORD; AM I RIGHT?

12 MR. ARIDAS: YES.

13 JUDGE MORAN: SO THE RECORD WILL BE HEARD AND
14 TAKEN -- IT WILL BE MARKED HEARD AN TAKEN.

15 SORRY.
16 HEARD AND TAKEN. . . .

17
18
19
20
21
22

1 CERTIFICATE OF REPORTER

2 STATE OF ILLINOIS)
3)
4 COUNTY OF DU PAGE)

5 CASE NO. 99-0138/00-0234

6 TITLE: METRICOM

7 I, STEVEN STEFANIK DO HEREBY CERTIFY THAT I AM A
8 COURT REPORTER CONTRACTED BY SULLIVAN REPORTING
9 COMPANY, OF CHICAGO, ILLINOIS; THAT I REPORTED IN
10 SHORTHAND THE EVIDENCE TAKEN AND THE PROCEEDINGS HAD
11 IN THE HEARING ON THE ABOVE-ENTITLED CASE ON THE 2ND
12 DAY OF JUNE A.D. 2000; THAT THE FOREGOING 88 PAGES
13 ARE A TRUE AND CORRECT TRANSCRIPT OF MY SHORTHAND
14 NOTES SO TAKEN AS AFORESAID, AND CONTAINS ALL THE
15 PROCEEDINGS DIRECTED BY THE COMMISSION OR OTHER
16 PERSON AUTHORIZED BY IT TO CONDUCT THE SAID HEARING
17 TO BE STENOGRAPHICALLY REPORTED.

18 DATED AT CHICAGO, ILLINOIS, THIS 7TH DAY
19 OF JUNE A.D. 2000.

20

21 REPORTER

22

23